

SCHOOL DISTRICT OF WISCONSIN DELLS

FINANCIAL STATEMENTS

JUNE 30, 2017

(AUDITED)

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

**TABLE OF CONTENTS
JUNE 30, 2017**

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	14
Statement of Activities	15
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	18
Statements of Net Position - Proprietary Funds	19
Statements of Revenues, Expenses and Changes in Net Position - Proprietary Funds	20
Statements of Cash Flows - Proprietary Funds	21
Statements of Net Position - Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position - Fiduciary Funds - Trust Funds	23
Notes to the Basic Financial Statements	24-53
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule for the General Fund - Budget and Actual - General Fund	54
Budgetary Comparison Schedule for the Debt Service Fund - Budget and Actual - Debt Service Fund	55
Notes to Required Supplementary Information on Budgetary Accounting and Control	56
Schedules of Required Supplementary Information For Pension Related Items	57
Schedules of Required Supplementary Information For OPEB Items	58

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

TABLE OF CONTENTS (CONTINUED)
JUNE 30, 2017

	PAGE
Schedule of Changes in Net OPEB Liability and Related Ratios	59
OTHER SUPPLEMENTARY INFORMATION	
Comparative Balance Sheets - General Fund	60
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund	61
Comparative Balance Sheets - Debt Service Fund	62
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Debt Service Fund	63
Combining Balance Sheet - Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	65
Comparative Balance Sheets - Community Service Fund	66
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Community Service Fund	67
Comparative Balance Sheets - Long Term Capital Improvement Fund	68
Comparative Statements of Revenues, Expenses and Changes in Fund Balance - Budget to Actual - Long Term Capital Improvement Fund	69
Comparative Balance Sheets - Title VII Native American	70
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Title VII Native American	71
Comparative Balance Sheets - Special Revenue Trust Fund	72
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Special Revenue Trust Fund	73
Pupil Activity Funds - Schedule of Changes in Assets and Liabilities	74

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

TABLE OF CONTENTS (CONTINUED)
JUNE 30, 2017

	PAGE
FEDERAL AND STATE SINGLE AUDIT AND GOVERNMENT AUDITING STANDARDS REPORTS AND SCHEDULES	
Schedule of Expenditures of Federal Awards	75-77
Schedule of Expenditures of State Awards	78-79
Notes to the Schedules of Expenditures of Federal and State Awards	80
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 <i>Government Auditing Standards</i>	81-82
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	83-84
Schedule of Findings and Questioned Costs	85-87
Summary Schedule of Prior Audit Findings	88
Corrective Action Plan	89

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, 2017, 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, 2017, 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, 2017. 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 54 through 59 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 accompanying 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 29, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
November 29, 2017

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. This information should be read in conjunction with the audited financial statements included in this report.

FINANCIAL HIGHLIGHTS

- The District's net position for the most recent fiscal year increased by \$84,794 from the prior year. The change includes an increase of \$84,301 in governmental activities and an increase of \$493 in business-type activities.
- In governmental funds, total fund balance increased by \$725,395.
- Total District revenues for governmental funds were \$21,370,361, including \$17,033,707 in property taxes, \$4,080,015 federal and state aid and other grants and contributions, \$159,486 charges for services, and \$97,153 in other revenues.
- Total District expenditures were \$21,395,047, including \$13,276,783 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 established a Fund 46 Long-term Capital Improvement Trust Fund during the fiscal year. The District made an initial contribution of \$100,000 to the trust. 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, 2017**

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.
- 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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

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.

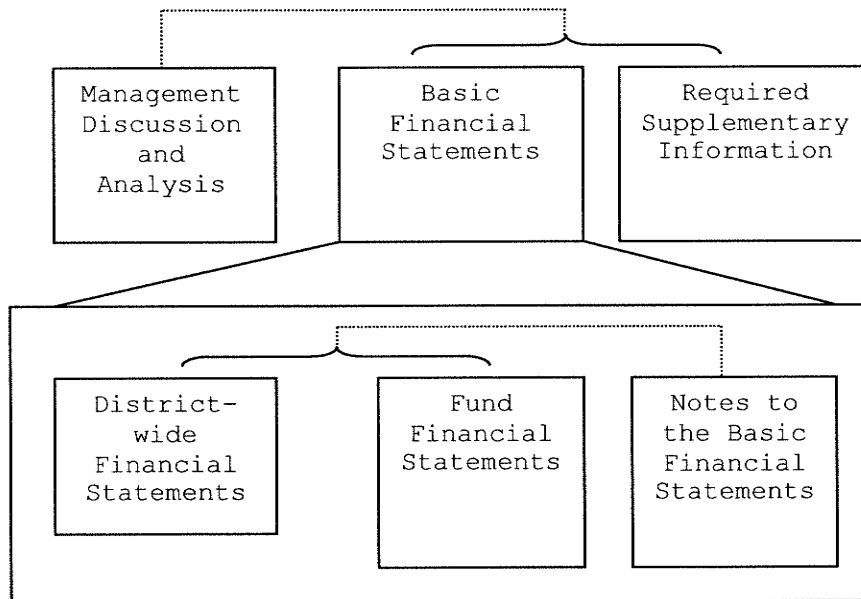
- The District adopts an annual appropriation budget for its general fund.

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, 2017**

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, 2017**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position at June 30, 2017, compared to June 30, 2016.

Table 1
Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total School District</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current and Other Assets	\$ 10,464,289	\$ 11,147,285	\$ 138,789	\$ 118,704	\$ 10,603,078	\$ 11,265,989
Net NonCurrent Assets	13,608,767	13,723,638	28,843	20,354	\$ 13,637,610	13,743,992
Other Non Current Assets	-	-	-	-	\$ -	-
Deferred Outflows						
Pension related outflows of resources	4,740,490	6,251,046	127,429	165,506	\$ 4,867,919	6,416,552
OPEB related outflows of resources	819,178	-	-	-	819,178	-
Total assets and Deferred Outflows	\$29,632,724	\$ 31,121,969	\$ 295,061	\$304,564	\$ 29,927,785	\$ 31,426,533
Liabilities						
Current and Other Liabilities	\$ 3,173,306	\$ 5,589,089	\$ 30,183	\$ 23,463	\$ 3,203,489	\$ 5,612,552
Long-term Liabilities	7,375,121	5,917,513	15,642	31,218	7,390,763	5,948,731
Total Liabilities	\$10,548,427	\$ 11,506,602	\$ 45,825	\$ 54,681	\$ 10,594,252	\$ 11,561,283
Deferred Inflows of Resources						
Pension related inflows of resources	2,409,178	2,489,065	64,762	65,902	\$ 2,473,940	\$ 2,554,967
Net Position						
Net Investment in Capital Assets	\$12,573,767	\$ 12,483,638	\$ 28,843	\$ 20,354	\$ 12,602,610	\$ 12,503,992
Restricted	2,647,183	3,338,192	155,631	163,627	2,802,814	3,501,819
Unrestricted	1,454,169	1,304,472	-	-	1,454,169	1,304,472
Total Net Position	\$16,675,119	\$ 17,126,302	\$ 184,474	\$183,981	\$ 16,859,593	\$ 17,310,283

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 16.62% 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 \$415,569 for debt service.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE (CONTINUED)

Table 2 shows the changes in net position for the fiscal years 2017 and 2016.

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total School District	
	2017	2016	2017	2016	2017	2016
General Revenues						
Property Taxes	\$ 17,033,707	\$ 17,008,083	\$ -	\$ -	\$ 17,033,707	\$ 17,008,083
Federal and State Aid	1,721,190	1,623,873	-	-	1,721,190	1,623,873
Other	97,153	136,481	-	-	97,153	136,481
Total General Revenues	18,852,050	18,768,437	-	-	\$ 18,852,050	\$ 18,768,437
Program Revenues						
Charges for services	159,486	336,393	272,276	299,484	\$ 431,762	\$ 635,877
Operating Grants & Contributions	2,358,825	2,315,327	\$ 547,801	\$ 517,955	\$ 2,906,626	\$ 2,833,282
Total Program Revenues	2,518,311	2,651,720	820,077	817,439	\$ 3,338,388	\$ 3,469,159
Total Revenues	\$ 21,370,361	\$ 21,420,157	\$ 820,077	\$ 817,439	\$ 22,190,438	\$ 22,237,596
Program Expenses						
Instruction	\$ 13,276,783	\$ 12,897,592	\$ -	\$ -	\$ 13,276,783	\$ 12,897,592
Pupil & Instructional Service	1,957,583	1,901,782	-	-	1,957,583	1,901,782
Administration & Finance	1,957,218	1,864,614	-	-	1,957,218	1,864,614
Maintenance & Operations	2,035,810	1,929,979	-	-	2,035,810	1,929,979
Transportation	721,325	705,044	-	-	721,325	705,044
Community Service	8,004	22,858	-	-	8,004	22,858
Interest on Debt	57,132	79,095	-	-	57,132	79,095
Other	1,381,192	1,471,539	-	-	1,381,192	1,471,539
Food Service Program	-	-	819,584	806,361	819,584	806,361
Total Expenses	\$ 21,395,047	\$ 20,872,503	\$ 819,584	\$ 806,361	22,214,631	21,678,864
Gain (Loss) on Disposal	108,987	4,535	0	0	108,987	4,535
Change in Net Position	\$ 84,301	\$ 552,189	\$ 493	\$ 11,078	\$ 84,794	\$ 563,267

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.

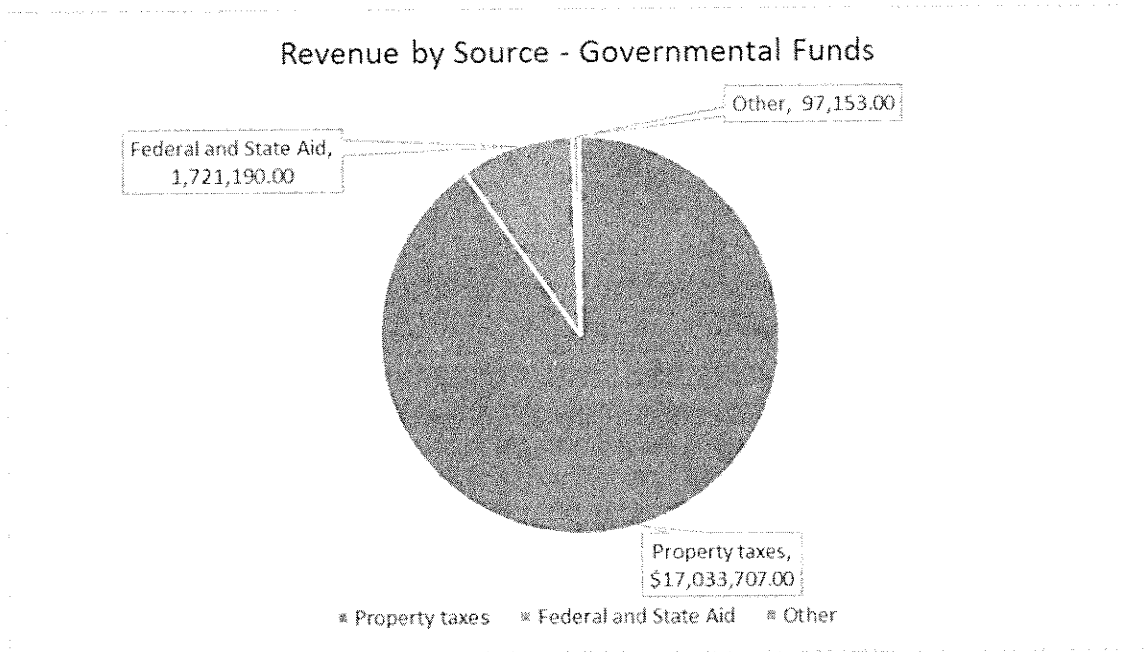
**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 17,033,707.00	90.35%
Federal and State Aid	1,721,190.00	9.13%
Other	97,153.00	0.52%
Total General Revenues	\$ 18,852,050.00	100.00%



Governmental Funds

As of June 30, 2017, the District's governmental funds reported combined ending fund balance of \$7,500,983, an increase of \$725,395 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, 2016	June 30, 2017	Change	Change (%)
General	\$ 6,167,749.00	\$ 6,766,981.00	\$ 599,232.00	9.72%
Debt Service	430,392.00	415,569.00	(14,823.00)	-3.44%
Other Governmental	177,447.00	318,433.00	140,986.00	79.45%
Total	\$ 6,775,588.00	\$ 7,500,983.00	\$ 725,395.00	10.71%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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 54 through 55.

General Fund

- General fund revenues were more than the budget by \$20,807
- General fund expenditures were less than the budget by \$375,072

Debt Service Fund

- Debt Service fund revenues were more than the budget by \$6
- Debt Service fund expenditures were less than the budget by \$1

CAPITAL ASSETS

At June 30, 2017, the District had \$13,637,610 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 \$106,382, or 0.77% from last year.

Table 4
Governmental Activities
Capital Assets - Net of Depreciation

	Governmental Activities		Business-type Activities		Total School District	
	2017	2016	2017	2016	2017	2016
Non-Depreciable Capital Assets (Land)	\$ 780,748.00	\$ 791,498.00	\$ 0	\$ 0	\$ 780,748.00	\$ 791,498.00
Capital Assets Being Depreciated	29,965,351.00	29,429,976.00	244,770.00	233,169.00	30,210,121.00	29,663,145.00
Accumulated Depreciation	(17,137,332.00)	(16,497,836.00)	(215,927.00)	(212,815.00)	(17,353,259.00)	(16,710,651.00)
	\$ 13,608,767.00	\$ 13,723,638.00	\$ 28,843.00	\$ 20,354.00	\$ 13,637,610.00	\$ 13,743,992.00

During the fiscal year, the District purchased three new school buses. The District also replaced a truck used by the Buildings and Grounds Department. The District constructed an outdoor concessions and restroom facility at the high school and purchased the modular classroom building that is located at the Spring Hill School. The District also resurfaced the track, and updated District technology infrastructure and buildings and grounds 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, 2016, the District had total outstanding bond principal of \$1,240,000. During the year, the District made payments against principal of \$205,000 resulting in ending outstanding debt as of June 30, 2017, of \$1,035,000.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

LONG-TERM OBLIGATIONS (CONTINUED)

Table 5
Outstanding Long-Term Obligations

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
General Obligation Debt	\$ 1,035,000	\$ 1,240,000	-16.53%
Vested Employee Benefits	120,841	114,932	5.14%
OPEB Liability	-	4,598,495	-100.00%
Total Long-Term Obligations	\$ 1,155,841	\$ 5,953,427	-80.59%

More detailed information about our long-term liabilities is included in Note 6 to the financial statements.

The OPEB liability was restated to adopt GASB No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans* as detailed in Notes 9 and 17 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 seventeen students for 2016-2017. The three year average decreased again for 2017-2018, by 8. A study performed by Applied Population Lab at the University of Wisconsin-Madison projects that our enrollment will 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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

Next Year's Budget:

The revenue budget for the 2017-2018 year is \$453,585 more than the actual revenues for 2016-2017. This represents a 2.24% increase in budgeted revenues. The expenditure budget for the 2017-2018 year is \$1,052,817 more than the actual expenditures for 2016-2017, or a 5.35% increase.

The comparison of revenue and expenditure categories is as follows:

Table 6

BUDGETED REVENUES

	2017-2018	2016-2017
Local	81.56%	83.54%
Other Districts/Intermediate	3.14%	2.58%
State	11.41%	10.26%
Federal	2.93%	2.67%
Financing/Other	0.96%	0.95%
	100.00%	100.00%

BUDGETED EXPENDITURES

	2017-2018	2016-2017
Instruction	50.00%	50.03%
Support Services	35.93%	36.87%
Non-Program Transactions	6.03%	4.74%
Fund Transfers	8.03%	8.36%
	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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 3,771,884	\$ 123,274	\$ 3,895,158
Receivables			
Taxes	6,178,420		6,178,420
Accounts	20,988		20,988
Due from other governments	492,997	15,515	508,512
Total Current Assets	<u>10,464,289</u>	<u>138,789</u>	<u>10,603,078</u>
Noncurrent Assets			
Land	780,748		780,748
Site improvements	1,033,850		1,033,850
Buildings	20,330,582		20,330,582
Vehicles	2,173,547		2,173,547
Furniture and equipment	6,427,372	244,770	6,672,142
Less accumulated depreciation	<u>(17,137,332)</u>	<u>(215,927)</u>	<u>(17,353,259)</u>
Net Noncurrent Assets	<u>13,608,767</u>	<u>28,843</u>	<u>13,637,610</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	4,740,490	127,429	4,867,919
OPEB related outflows of resources	819,178		819,178
Total Deferred Outflows of Resources	<u>5,559,668</u>	<u>127,429</u>	<u>5,687,097</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 29,632,724</u>	<u>\$ 295,061</u>	<u>\$ 29,927,785</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 932,841	\$ 0	\$ 932,841
Accrued liabilities			
Payroll, payroll taxes, insurance	1,815,456	16,630	1,832,086
Self-funded dental benefits deposits payable	45,888		45,888
Dental benefits claims payable	12,500		12,500
Unearned revenue	156,621	13,553	170,174
Current portion of long-term obligations	210,000		210,000
Total Current Liabilities	<u>3,173,306</u>	<u>30,183</u>	<u>3,203,489</u>
Noncurrent Liabilities			
Noncurrent portion of long-term obligations	945,841		945,841
Net pension liability	581,898	15,642	597,540
Net OPEB liability	<u>5,847,382</u>		<u>5,847,382</u>
Total Noncurrent Liabilities	<u>7,375,121</u>	<u>15,642</u>	<u>7,390,763</u>
Total Liabilities	<u>10,548,427</u>	<u>45,825</u>	<u>10,594,252</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	<u>2,409,178</u>	<u>64,762</u>	<u>2,473,940</u>
NET POSITION			
Net investment in capital assets	12,573,767	28,843	12,602,610
Restricted	2,647,183	155,631	2,802,814
Unrestricted (deficit)	1,454,169		1,454,169
Total Net Position	<u>16,675,119</u>	<u>184,474</u>	<u>16,859,593</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 29,632,724</u>	<u>\$ 295,061</u>	<u>\$ 29,927,785</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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
Instruction						
Regular instruction	\$ 9,507,721	\$ 36,985	\$ 1,087,102	\$ (8,383,634)	\$ 0	\$ (8,383,634)
Vocational instruction	424,516	1,365	14,483	(408,668)		(408,668)
Special education instruction	2,408,482	8,061	753,023	(1,647,398)		(1,647,398)
Other instruction	936,064	46,108		(889,956)		(889,956)
Total Instruction	13,276,783	92,519	1,854,608	(11,329,656)	0	(11,329,656)
Support Services						
Pupil services	766,224		68,749	(697,475)		(697,475)
Instructional staff services	1,191,359	2,277	273,848	(915,234)		(915,234)
General administration services	480,441		14,733	(465,708)		(465,708)
Building administration services	1,166,447			(1,166,447)		(1,166,447)
Business services	310,330			(310,330)		(310,330)
Operations and maintenance	2,035,810			(2,035,810)		(2,035,810)
Pupil transportation	721,325		101,693	(619,632)		(619,632)
Central services	564,218	64,690	1,809	(497,719)		(497,719)
Insurance	185,478			(185,478)		(185,478)
Interest on debt	57,132		43,385	(13,747)		(13,747)
Community services	8,004			(8,004)		(8,004)
Other support services	151,757			(151,757)		(151,757)
Depreciation - unallocated*	479,739			(479,739)		(479,739)
Total Support Services	8,118,264	66,967	504,217	(7,547,080)	0	(7,547,080)
Total Governmental Activities	21,395,047	159,486	2,358,825	(18,876,736)	0	(18,876,736)
Business-Type Activities						
School food service program	819,584	272,276	547,801	0	493	493
TOTAL SCHOOL DISTRICT	\$ 22,214,631	\$ 431,762	\$ 2,906,626	(18,876,736)	493	(18,876,243)
General Revenues						
Property taxes						
General purposes				16,833,707		16,833,707
Debt services				200,000		200,000
State and federal aids not restricted to specific functions						
General				714,062		714,062
Other				1,007,128		1,007,128
Interest and investment earnings						
Miscellaneous				25,372		25,372
Miscellaneous						
				71,781		71,781
Special and Extraordinary Items						
Gain on disposal of assets				108,987		108,987
Total General Revenues				18,961,037	0	18,961,037
Change in Net Position						
				84,301	493	84,794
NET POSITION - Beginning of Year, As Restated						
				16,590,818	183,981	16,774,799
NET POSITION - END OF YEAR						
				\$ 16,675,119	\$ 184,474	\$ 16,859,593

*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, 2017

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 3,136,288	\$ 415,962	\$ 219,634	\$ 3,771,884
Receivables				
Taxes	6,178,420			6,178,420
Accounts	20,988			20,988
Due from other funds	8,148		100,000	108,148
Due from other governments	485,242		7,755	492,997
TOTAL ASSETS	\$ 9,829,086	\$ 415,962	\$ 327,389	\$ 10,572,437
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 932,841	\$ 0	\$ 0	\$ 932,841
Accrued liabilities				
Payroll, payroll taxes, insurance	1,814,255		1,201	1,815,456
Self-funded dental benefits deposits payable	45,888			45,888
Dental benefit claims payable	12,500			12,500
Due to other funds	100,000	393	7,755	108,148
Unearned revenue	156,621			156,621
Total Liabilities	3,062,105	393	8,956	3,071,454
Fund Balances				
Restricted	163,767	415,569	318,433	897,769
Committed	319,104			319,104
Assigned	1,451,135			1,451,135
Unassigned	4,832,975			4,832,975
Total Fund Balances	6,766,981	415,569	318,433	7,500,983
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,829,086	\$ 415,962	\$ 327,389	\$ 10,572,437
Total fund balance reported on governmental funds balance sheet				\$ 7,500,983
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			30,746,099	
Governmental accumulated depreciation			(17,137,332)	13,608,767
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 liability			(581,898)	
Pension related deferred outflows			4,740,490	
Pension related deferred inflows			(2,409,178)	1,749,414
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)			(5,847,382)	
OPEB deferred outflows			819,178	(5,028,204)
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			(1,035,000)	
Vested employee benefits			(120,841)	(1,155,841)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES				\$ 16,675,119

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, 2017

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 16,833,707	\$ 200,000	\$ 0	\$ 17,033,707
Other local sources	97,515	1,685	63,072	162,272
Interdistrict sources	472,484			472,484
Intermediate sources	62,618			62,618
State sources	2,586,795			2,586,795
Federal sources	927,945		7,755	935,700
Other sources	73,400	43,385		116,785
Total Revenues	<u>21,054,464</u>	<u>245,070</u>	<u>70,827</u>	<u>21,370,361</u>
EXPENDITURES				
Instruction				
Regular instruction	9,094,762		9,248	9,104,010
Vocational instruction	390,848			390,848
Special instruction	2,308,737			2,308,737
Other instruction	911,424		904	912,328
Total Instruction	<u>12,705,771</u>	<u>0</u>	<u>10,152</u>	<u>12,715,923</u>
Support Services				
Pupil services	717,885			717,885
Instructional staff services	1,121,170		8,762	1,129,932
General administration services	464,828			464,828
Building administration services	1,114,907			1,114,907
Business services	295,322			295,322
Operations and maintenance	2,181,942		10,927	2,192,869
Pupil transportation	971,816			971,816
Central services	559,462			559,462
Insurance	185,478			185,478
Principal and interest	4,631	259,893		264,524
Other support services	151,757			151,757
Total Support Services	<u>7,769,198</u>	<u>259,893</u>	<u>19,689</u>	<u>8,048,780</u>
Total Expenditures	<u>20,474,969</u>	<u>259,893</u>	<u>29,841</u>	<u>20,764,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>579,495</u>	<u>(14,823)</u>	<u>40,986</u>	<u>605,658</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of assets	119,737			119,737
Transfers (to) from other funds	(100,000)		100,000	
Net Other Financing Sources (Uses)	<u>19,737</u>	<u>0</u>	<u>100,000</u>	<u>119,737</u>
Net Change in Fund Balances	599,232	(14,823)	140,986	725,395
FUND BALANCES - Beginning of Year	<u>6,167,749</u>	<u>430,392</u>	<u>177,447</u>	<u>6,775,588</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,766,981</u>	<u>\$ 415,569</u>	<u>\$ 318,433</u>	<u>\$ 7,500,983</u>

**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, 2017

Net Change in Fund Balances - Total Governmental Funds **\$ 725,395**

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	765,583	
Depreciation expense reported in the statement of activities	<u>(869,704)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period:		(104,121)

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	(119,737)	
Gain (loss) on disposition reported on the statement of activities	<u>108,987</u>	
Book value of assets disposed of:		(10,750)

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:

(5,909)

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:

660,421

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:

(1,493,902)

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:

827,611

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:

(721,836)

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: 205,000

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	54,893	
The amount of interest expensed during the current period	<u>(52,501)</u>	
Interest paid is greater (less) than interest accrued by:		<u>2,392</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 84,301**

See Accompanying Notes to the Basic Financial Statements

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

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017 AND 2016

	Food Service Fund	
	2017	2016
ASSETS		
Current Assets		
Cash and investments	\$ 123,274	\$ 115,305
Receivables		1,280
Due from other governments	15,515	2,119
Total Current Assets	138,789	118,704
Noncurrent Assets		
Furniture and equipment	244,770	233,169
Less accumulated depreciation	(215,927)	(212,815)
Net Noncurrent Assets	28,843	20,354
DEFERRED OUTFLOWS OF RESOURCES		
Pension related outflows of resources	127,429	165,506
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 295,061	\$ 304,564
LIABILITIES		
Current Liabilities		
Other accrued expenses	\$ 16,630	\$ 10,614
Unearned revenue	13,553	12,849
Total Current Liabilities	30,183	23,463
Noncurrent Liabilities		
Net pension liability	15,642	31,218
DEFERRED INFLOWS OF RESOURCES		
Pension related inflows of resources	64,762	65,902
NET POSITION		
Net investment in capital assets	28,843	20,354
Restricted for food service operations	108,606	95,241
Restricted for pension related items	47,025	68,386
Total Net Position	184,474	183,981
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 295,061	\$ 304,564

**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, 2017 AND 2016

	Food Service Fund	
	2017	2016
OPERATING REVENUES		
Food sales	\$ 272,276	\$ 299,484
Local sources	1,000	1,000
State sources	16,087	17,860
Federal sources	474,681	445,897
Federal commodities	56,033	53,198
Total Operating Revenues	<u>820,077</u>	<u>817,439</u>
OPERATING EXPENSES		
Salaries and wages	279,611	278,246
Employer paid benefits	134,835	125,947
Purchased services	8,606	5,782
Supplies, food and materials	391,489	384,098
Other	1,931	9,010
Depreciation	3,112	3,278
Total Operating Expenses	<u>819,584</u>	<u>806,361</u>
Change in Net Position	493	11,078
NET POSITION - Beginning of Year	<u>183,981</u>	<u>172,903</u>
NET POSITION - END OF YEAR	<u>\$ 184,474</u>	<u>\$ 183,981</u>

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

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	Food Service Fund	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 274,260	\$ 300,299
Cash received from other government payments	478,372	462,638
Cash payments to employees for services	(393,085)	(387,211)
Cash payments for utilities and other purchased services	(8,606)	(5,782)
Cash payments to suppliers for goods and services	(329,440)	(328,329)
Cash payments for other operating expenses	(1,931)	(9,010)
Net Cash Provided By (Used For) Operating Activities	19,570	32,605
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Purchase	(11,601)	
Net Cash Provided By (Used For) Investing Activities	(11,601)	0
Net Increase (Decrease) in Cash and Cash Equivalents	7,969	
CASH AND CASH EQUIVALENTS - Beginning of Year	115,305	82,700
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 123,274	\$ 115,305
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net position	\$ 493	\$ 11,078
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	3,112	3,278
Net change in pension related items	21,361	16,982
Changes in operating assets and liabilities		
Receivables	1,280	(33)
Due to (from) other governments	(13,396)	(2,119)
Other accrued liabilities	6,016	2,571
Unearned revenue	704	848
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 19,570	\$ 32,605
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of	\$ 56,033	\$ 53,198

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

STATEMENTS OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Postemployment Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Fund
ASSETS			
Current Assets			
Cash and investments	\$ 1,930,087	\$ 27,601	\$ 234,057
Accounts receivable	200,000		
TOTAL ASSETS	\$ 2,130,087	\$ 27,601	\$ 234,057
LIABILITIES			
Due to Student Groups	\$ 0	\$ 0	\$ 234,057
TOTAL LIABILITIES	\$ 0	\$ 0	
NET POSITION			
Restricted	2,130,087	27,601	
TOTAL LIABILITIES AND NET POSITION	\$ 2,130,087	\$ 27,601	

**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, 2017

	Postemployment Employee Benefit Trust Funds	Private-Purpose Trust Funds
ADDITIONS		
Employer contribution	\$ 819,178	\$ 0
Retiree contributions	74,687	
Private donations		6,200
Interest and dividend income	29,850	66
Total Additions	923,715	6,266
DEDUCTIONS		
Scholarships awarded		7,200
Retiree benefit payments	693,865	
Total Deductions	693,865	7,200
Change in Net Position	229,850	(934)
NET POSITION - Beginning of Year	1,900,237	28,535
NET POSITION - END OF YEAR	\$ 2,130,087	\$ 27,601

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017**

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, 2017**

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, 2017**

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, 2017. 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, 2017**

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 7 for a detailed description of the interfund balances as of June 30, 2017.

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, 2017**

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, 2017**

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, 2017**

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 8 for deferred outflows of resources for pension 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 8 for deferred inflows of resources for pension related items.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017**

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	\$17,033,707	\$ 0	\$ 0	\$ 0	\$17,033,707
Other local sources					
Interest and investment earnings	25,372				25,372
Miscellaneous	63,071				63,071
Charges for services	73,829				73,829
Interdistrict sources					
Charges for services	20,770				20,770
Other general aid	448,280				448,280
Operating grants and contributions	3,434				3,434
Intermediate sources					
Operating grants and contributions	62,618				62,618
State sources					
Charges for services	197				197
General aid	714,062				714,062
Other general aid	558,848				558,848
Operating grants and contributions	1,313,688				1,313,688
Federal sources					
Operating grants and contributions	935,700				935,700
Other revenue sources					
Charges for services	64,690				64,690
Reimbursement on QSCB	43,385				43,385
Miscellaneous	8,710				8,710
Special and extraordinary items					
Proceeds/Gain (loss) on sale of assets	119,737		(10,750)		108,987
Total Revenues and Other Sources	<u>\$21,490,098</u>	<u>\$ 0</u>	<u>\$ (10,750)</u>	<u>\$ 0</u>	<u>\$21,479,348</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

**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 Acquisitions	Depreciation	Long-Term Debt Transactions	Statement Of Activities Total
			Employer Contributions	Pension Expense				
<u>Expenditures/Expenses</u>								
Regular instruction	\$ 9,104,010	\$ 4,230	\$ (730,624)	\$ 1,087,928	\$ (32,081)	\$ 74,258	\$ 0	\$ 9,507,721
Vocational instruction	390,848	182	(71,425)	106,355	(7,440)	5,996		424,516
Special instruction	2,308,737	1,073	(184,516)	274,752		8,436		2,408,482
Other instruction	912,328	424	(59,521)	88,629	(15,201)	9,405		936,064
Pupil services	717,885		(96,722)	144,023		1,038		766,224
Instructional staff services	1,129,932		(63,985)	95,277		30,135		1,191,359
General administration services	464,828		(31,249)	46,531		331		480,441
Building administration services	1,114,907		(99,698)	148,454		2,784		1,166,447
Business services	295,322		(25,296)	37,667		2,637		310,330
Operations and maintenance	2,192,869		(80,354)	119,650	(418,957)	222,602		2,035,810
Pupil transportation	971,816				(251,741)	1,250		721,325
Central services	559,462		(28,273)	42,099	(40,163)	31,093		564,218
Insurance	185,478						(207,392)	185,478
Principal and interest	264,524		(16,369)	24,373				57,132
Community services	151,757					479,739		8,004
Other support services								151,757
Depreciation - unallocated								479,739
Total Expenditures/ Expenses	<u>20,764,703</u>	<u>5,909</u>	<u>(1,488,032)</u>	<u>2,215,738</u>	<u>(765,583)</u>	<u>869,704</u>	<u>(207,392)</u>	<u>21,395,047</u>
Net Change for Year	<u>\$ 725,395</u>	<u>\$(5,909)</u>	<u>\$ 1,488,032</u>	<u>\$(2,215,738)</u>	<u>\$ 754,833</u>	<u>\$(869,704)</u>	<u>\$ 207,392</u>	<u>\$ 84,301</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017**

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, 2017 were as follows:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Bank of Wisconsin Dells	\$650,000	\$914,687	\$ 0	\$1,564,687	\$ 778,486
The Baraboo National Bank	138,314			138,314	138,314
BMO Harris Bank	19,816			19,816	19,816
Totals	<u>\$808,130</u>	<u>\$914,687</u>	<u>\$ 0</u>	<u>\$1,722,817</u>	
Mid America Administrative & Retirement Solutions, Inc.-ING ReliaStar Group Annuity Contract					1,930,087
Investment in Local Government Investment Pool					3,220,102
Petty cash					98
Investments held by fiduciary funds					(2,191,745)
Cash and Investments Reported on Statement of Net Position					<u>\$ 3,895,158</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, 2017, 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, 2017**

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, 2017 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	37%	N/A	\$1,930,087
Wisconsin Local Government Investment Pool	Unrated	<u>63%</u>	29 days average	<u>3,220,102</u>
Total		<u>100%</u>		<u>\$5,150,189</u>

NOTE 4 CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 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)	\$ 791,498	\$ 0	\$ (10,750)	\$ 780,748
Capital assets being depreciated				
Site improvements	967,080	66,770		1,033,850
Buildings	20,043,179	287,403		20,330,582
Vehicles	2,095,945	294,470	(216,868)	2,173,547
Furniture and equipment	<u>6,323,772</u>	<u>116,940</u>	<u>(13,340)</u>	<u>6,427,372</u>
Total Capital Assets Being Depreciated	<u>29,429,976</u>	<u>765,583</u>	<u>(230,208)</u>	<u>29,965,351</u>
Less accumulated depreciation for				
Site improvements	(558,860)	(35,321)		(594,181)
Buildings	(9,164,341)	(449,726)		(9,614,067)
Vehicles	(1,274,924)	(191,973)	216,868	(1,250,029)
Furniture and equipment	<u>(5,499,711)</u>	<u>(192,684)</u>	<u>13,340</u>	<u>(5,679,055)</u>
Total Accumulated Depreciation	<u>(16,497,836)</u>	<u>(869,704)</u>	<u>230,208</u>	<u>(17,137,332)</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	\$12,932,140	\$ (104,121)	\$ 0	\$12,828,019
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$13,723,638</u>	<u>\$ (104,121)</u>	<u>\$ (10,750)</u>	<u>\$13,608,767</u>
Business-Type Activities Capital assets being depreciated				
Furniture and equipment	\$ 233,169	\$11,601	\$ 0	\$ 244,770
Less accumulated depreciation	<u>(212,815)</u>	<u>(3,112)</u>	<u> </u>	<u>(215,927)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,354</u>	<u>\$ 8,489</u>	<u>\$ 0</u>	<u>\$ 28,843</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 74,258
Vocational instruction	5,996
Special education instruction	8,436
Other instruction	9,405
Pupil services	1,038
Instructional staff services	30,135
General administration services	331
Building administration services	2,784
Business services	2,637
Operations and maintenance of plant	222,602
Pupil transportation services	1,250
Central services	31,093
Depreciation not charged to a specific function	<u>479,739</u>
Total Depreciation for Governmental Activities	<u>\$869,704</u>

NOTE 5 SHORT-TERM NOTES PAYABLE

The District issues tax anticipation notes in advance of property tax collections. The notes are necessary because payments for the year begin in July whereas the tax collections are received from the municipalities beginning in January. Short-term debt activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$1,900,000	\$ 0	\$1,900,000	\$ 0

Total interest expense on short-term notes for the year totaled \$4,631.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2017 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					
2011 G.O. promissory note	\$ 205,000	\$ 0	\$205,000	\$ 0	\$ 0
Qualified school construction bond	<u>1,035,000</u>	<u> </u>	<u> </u>	<u>1,035,000</u>	<u>200,000</u>
Total Notes, Bonds and Capital Leases	<u>1,240,000</u>	<u>0</u>	<u>205,000</u>	<u>1,035,000</u>	<u>200,000</u>
Other Liabilities					
Vested employee benefits					
Compensated absences	<u>114,932</u>	<u>5,909</u>	<u> </u>	<u>120,841</u>	<u>10,000</u>
Total Other Liabilities	<u>114,932</u>	<u>5,909</u>	<u>0</u>	<u>120,841</u>	<u>10,000</u>
Total Governmental Activity Long-Term Liabilities	<u>\$1,354,932</u>	<u>\$5,909</u>	<u>\$205,000</u>	<u>\$1,155,841</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>
2011 G.O. promissory note	\$ 4,783	\$ 7,175
Qualified school construction bond	46,575	46,575
Short-term borrowing	4,631	4,631
Other fiscal charges	<u>1,143</u>	<u>1,143</u>
Total Interest and Other Fiscal Charges Paid	<u>\$57,132</u>	<u>\$59,524</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 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 6/30/17
2011 Qualified school construction bonds	09/07/10	4.5%	09/01/22	<u>\$1,035,000</u>
Total General Obligation Debt*				<u>\$1,035,000</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, 2017 is:

Equalized value certified by Wisconsin Department of Revenue for 2016	<u>\$2,180,059,392</u>
Margin of indebtedness at 10%	218,005,939
*Deduct long-term debt applicable to debt margin	<u>1,035,000</u>
Margin of Indebtedness	<u>\$ 219,040,939</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds and notes as of June 30, 2017 are as follows:

Governmental Activities Year Ended June 30	Principal	Interest	Total
2018	\$ 200,000	\$ 46,575	\$ 246,575
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>\$1,035,000</u>	<u>\$232,875</u>	<u>\$1,267,875</u>

NOTE 7 INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances in the fund financial statements on June 30, 2017 are as follows:

	Due To Other Funds	Total
General Fund Title VII Native American		\$7,755
General Fund Debt Service		<u>393</u>
		<u>\$8,148</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 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 occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016 the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$678,174 in contributions from the employer.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Contribution rates as of June 30, 2017 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At June 30, 2017, the School District of Wisconsin Dells reported a liability (asset) of \$597,540 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the School District of Wisconsin Dells' proportion was .07249599%, which was a decrease of .00198516% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the School District of Wisconsin Dells recognized pension expense of \$1,533,015.

At June 30, 2017, 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	\$ 87,404	\$ 0
Changes in assumptions		
Net differences between projected and actual earnings on pension plan investments		(589,159)
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,433	0
Employer contributions subsequent to the measurement date	412,256	0
Total	<u>\$527,093</u>	<u>\$(589,159)</u>

\$412,256 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, 2017. 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
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$1,550,283	\$(749,589)
2018	\$1,550,283	\$(749,589)
2019	\$1,298,485	\$(748,156)
2020	\$ 55,248	\$(226,605)
2021	\$ 1,365	

Actuarial assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
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, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Asset Allocation Targets and Expected Returns
As of December 31, 2016

<u>Core Fund Asset Class</u>	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	<u>4</u>	<u>4</u>	<u>6.6</u>	<u>3.7</u>
Total Core Fund	<u>110%</u>	<u>120%</u>	<u>7.4%</u>	<u>4.5%</u>
<u>Variable Fund Asset Class</u>				
US Equities	70%	70%	7.6%	4.7%
International Equities	<u>30</u>	<u>30</u>	<u>8.5</u>	<u>5.6</u>
Total Variable Fund	<u>100%</u>	<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 3.78%. 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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
School District of Wisconsin Dells' proportionate share of the net pension liability (asset)	\$7,861,022	\$597,540	\$(4,995,670)

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 9 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.

Current retirees that waived the medical benefit at retirement are receiving a cash benefit in lieu of their participation. See Note 10 for information on this supplemental pension benefit plan provided by the SDWDRBP.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiates currently receiving benefit payments	55
Inactive employees entitled to but not yet receiving benefit payments	14
Active employees	<u>212</u>
Total	<u>281</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, 2017, the District's average contribution rate was 8.84 percent of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2016, 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, 2016 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, 2015
Measurement Date:	June 30, 2016
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, 2016 valuation were based on the results of an actuarial experience study for the period.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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	1%	0.00%
Total	<u>100%</u>	

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

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 6/30/2015	\$7,622,483	\$1,669,326	\$5,953,157
Changes for the year:			
Service cost	525,604		525,604
Interest	227,144		227,144
Contributions - Employer		827,611	(827,611)
Net investment income		30,912	(30,912)
Benefit payments	(627,611)	(627,611)	
Administrative expense			
Net Changes	<u>125,137</u>	<u>230,912</u>	<u>(105,775)</u>
Balances at 6/30/2016	<u>\$7,747,620</u>	<u>\$1,900,238</u>	<u>\$5,847,382</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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

	<u>1% Decrease (2.0%)</u>	<u>Discount Rate (3.0%)</u>	<u>1% Increase (4.0%)</u>
Net OPEB liability (asset)	\$6,303,153	\$5,847,382	\$5,410,172

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:

	<u>1% Decrease (6.5% decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)</u>	<u>1% Increase (8.5% decreasing to 6.0%)</u>
Net OPEB liability (asset)	\$5,152,293	\$5,847,382	\$6,659,396

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

For the year ended June 30, 2017, the District recognized OPEB expense of \$721,836. At June 30, 2017, 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	\$ 0	\$ 0
Changes of assumptions		
Net difference between projected and actual earnings on OPEB plan investments		
Employer contributions subsequent to the measurement date	<u>819,178</u>	<u>0</u>
Total	<u>\$819,178</u>	<u>\$ 0</u>

\$819,178 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, 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>
2017	\$0	\$0
2018	\$0	\$0
2019	\$0	\$0
2020	\$0	\$0
2021	\$0	\$0

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017.

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, 2017, the District has reported a liability of \$12,500, which represents unreported claims which were incurred on or before June 30, 2017, but were not paid by the District as of that date. This liability was determined by the claims 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:

	General Fund	Governmental Activities		Business-Type
		Debt Service Fund	Other Governmental Funds	Food Service Fund
Restricted for:				
Self-funded insurance	\$163,767	\$ 0	\$ 0	\$ 0
Debt service funds		415,569		
Food service programs				108,606
Pension related items				47,025
Special revenue trust fund			192,974	
Long Term Capital Improvement fund			100,000	
Community service fund			25,459	
Total Restricted	<u>163,767</u>	<u>415,569</u>	<u>318,433</u>	<u>155,631</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 11 FUND AND NET POSITION BALANCES (CONTINUED)

		Governmental Activities		Business-Type	
		General	Debt	Other	Activities
			Fund	Service	Governmental
		Fund	Funds	Service	
		Fund	Funds	Fund	
Committed for:					
3-Year maintenance plan-					
Solar Project	\$ 200,000	\$ 0	\$ 0	\$ 0	
HRA employee share of					
unused high deductible					
HRA allocations	48,876				
July/August retiree health					
and dental premiums	70,228				
Total Committed	319,104	0	0	0	
Assigned for:					
Labor costs incurred prior					
to recognition of first					
tax levy revenue in					
subsequent year	310,012				
3-Year maintenance plan-					
Concessions stand	60,000				
HRA reimbursement from					
2017 plan year	173,832				
Facility improvement Fund					
proceeds from sale of					
vacant land	111,475				
Village of LD chargeback					
of rescinded or					
refunded property taxes	625,974				
3-Year maintenance plan					
revenue from technology					
education house project	169,842				
Total Assigned	1,451,135	0	0	0	
Unassigned	4,832,975	0	0	0	
Total fund balances	\$6,766,981	\$415,569	\$318,433	\$155,631	

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

Government activities:	
Self-funded insurance	\$ 163,767
Debt service funds	415,569
Special revenue trust fund	192,974
Long Term Capital Improvement fund	100,000
Community service fund	25,459
Pension related items	1,749,414
Total	\$2,647,183
Business-type activities:	
Food service programs	\$108,606
Pension related items	47,025
Total	\$155,631

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events are evaluated through November 29, 2017, 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, 2017**

NOTE 17 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	\$17,126,302
Prior Year Net OPEB Liability	(5,133,979)
Prior Year OPEB Long-term Debt	<u>4,598,495</u>
Net Position - Beginning of Year, As Restated	<u>\$16,590,818</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, 2017

	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	\$ 16,543,821	\$ 16,543,821	\$ 0	\$ 16,833,607	\$ 16,833,607	\$ 0	\$ 16,833,707	\$ 16,833,707	\$ 100
Other local sources		62,295	62,295		94,623	94,623		97,515	97,515	2,892
Interdistrict sources		519,330	519,330		468,725	468,725		472,484	472,484	3,759
Intermediate sources	15,000	12,500	27,500	10,970	29,366	40,336		50,263	62,618	22,282
State sources	548,453	2,207,594	2,756,047	507,419	2,091,234	2,598,653		2,079,375	2,586,795	(11,858)
Federal sources	441,588	560,346	1,001,914	413,789	513,196	926,986		541,505	927,945	960
Other sources		56,000	56,000		70,728	70,728		73,400	73,400	2,672
Total Revenues	1,005,021	19,961,886	20,966,907	932,178	20,101,479	21,033,657		20,148,249	21,054,464	20,807
EXPENDITURES										
Instruction										
Regular instruction		9,447,270	9,447,270		9,150,376	9,150,376		9,094,762	9,094,762	55,614
Vocational instruction	500	413,258	413,758	500	389,909	390,409		390,848	390,848	(439)
Special instruction	2,025,206	403,927	2,429,133	1,951,182	368,093	2,319,275		357,221	2,308,737	10,538
Other instruction		893,032	893,032		922,209	922,209		911,424	911,424	10,785
Total Instruction	2,025,706	11,157,487	13,183,193	1,951,682	10,830,587	12,782,269		10,754,255	12,705,771	76,498
Support Services										
Pupil services	212,685	487,560	700,245	224,171	492,118	716,289		492,421	717,885	(1,596)
Instructional staff services	197,790	967,558	1,165,348	197,804	1,008,004	1,205,808		187,243	1,121,170	84,638
General administration services		468,323	468,323		478,641	478,641		464,828	464,828	13,813
Building administration services		1,162,870	1,162,870		1,162,213	1,162,213		1,114,907	1,114,907	47,306
Business services	2,000	317,223	319,223	2,650	317,533	320,183		292,684	295,322	24,861
Operations and maintenance	2,500	1,914,668	1,917,168		2,166,816	2,166,816		2,181,942	2,181,942	(15,126)
Pupil transportation	105,421	910,229	1,015,650	92,164	989,229	1,081,393		889,146	971,816	109,577
Central services		643,532	643,532		588,682	588,682		557,653	559,462	29,220
Insurance		207,766	207,766		195,766	195,766		185,478	185,478	10,288
Principal and interest		18,500	18,500		4,632	4,632		4,631	4,631	1
Other support services		162,089	162,089		147,349	147,349		151,757	151,757	(4,408)
Total Support Services	520,396	7,260,318	7,780,714	516,789	7,550,983	8,067,772		7,269,374	7,769,198	298,574
Total Expenditures	2,546,102	18,417,805	20,963,907	2,468,471	18,381,570	20,850,041		18,023,629	20,474,969	375,072
Excess (Deficiency) of Revenues Over Expenditures	(1,541,081)	1,544,081	3,000	(1,536,293)	1,719,909	183,616		(1,545,125)	579,495	395,879
OTHER FINANCING SOURCES (USES)										
Transfers (to) from other funds	1,541,081	(1,544,081)	(3,000)	1,536,293	(1,639,293)	(103,000)		1,545,125	(1,645,125)	3,000
Proceeds on sale of assets					119,740	119,740		119,737	119,737	(3)
Net Other Financing Sources (Uses)	1,541,081	(1,544,081)	(3,000)	1,536,293	(1,519,553)	16,740		1,545,125	(1,525,388)	2,997
Net Change in Fund Balances	0	0	0	0	200,356	200,356		0	599,232	398,876
FUND BALANCES - Beginning of Year	0	6,167,749	6,167,749	0	6,167,749	6,167,749		0	6,167,749	0
FUND BALANCES - END OF YEAR	0	6,167,749	6,167,749	0	6,368,105	6,368,105		0	6,766,981	398,876
	\$	\$	\$	\$	\$	\$		\$	\$	\$

**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, 2017

	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	500	1,679	1,685	6
Other sources	<u>43,152</u>	<u>43,385</u>	<u>43,385</u>	
Total Revenues	<u>243,652</u>	<u>245,064</u>	<u>245,070</u>	<u>6</u>
EXPENDITURES				
Support Services				
Debt service				
Principal	205,000	205,000	205,000	
Interest	53,750	53,750	53,750	
Paying agents fees	1,113	1,144	1,143	1
Total Expenditures	<u>259,863</u>	<u>259,894</u>	<u>259,893</u>	<u>1</u>
Net Change in Fund Balance	(16,211)	(14,830)	(14,823)	7
FUND BALANCE - Beginning of Year	<u>430,392</u>	<u>430,392</u>	<u>430,392</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 414,181</u>	<u>\$ 415,562</u>	<u>\$ 415,569</u>	<u>\$ 7</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, 2017**

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, 2017**

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

	2017	2016	2015
School District of Wisconsin Dells' proportion of the net pension liability (asset)	.07249599%	.07448115%	.07496184%
School District of Wisconsin Dells' proportionate share of the net pension liability (asset)	\$ 597,540	\$ 1,210,304	\$(1,841,268)
School District of Wisconsin Dells' covered-employee payroll	\$10,090,668	\$10,608,693	\$10,244,993
Plan fiduciary net position as a percentage of the total pension liability (asset)	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***

	2017	2016	2015
Contractually required contributions	\$ 665,984	\$ 721,391	\$ 714,937
Contributions in relation to contractually required contributions	\$ (665,984)	\$ (721,391)	\$ (714,937)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0
School District of Wisconsin Dells' covered-employee payroll	\$10,090,668	\$10,608,693	\$10,244,993
Contributions as a percentage of covered-employee payroll	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, 2017**

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, 2017

SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS CONTRIBUTIONS FOR OPEB

Last 10 Fiscal Years*

	2017
Actuarially determined contribution (ADC)	\$ 777,243
Contributions in relation to the ADC	(827,611)
Contribution deficiency (excess)	\$ (50,368)
Covered-employee payroll	\$9,361,419
Contributions as a percentage of covered- employee payroll	8.84%

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

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

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2017**

	2017
TOTAL OPEB LIABILITY	
Service cost	\$ 525,604
Interest	227,144
Benefit payments	(627,611)
Net change in total OPEB liability	125,137
TOTAL OPEB LIABILITY - Beginning of Year	7,622,483
TOTAL OPEB LIABILITY - End of Year (a)	\$ 7,747,620
FIDUCIARY NET POSITION	
Contributions - Employer	\$ 827,611
Net investment income	30,912
Benefit payments	(627,611)
Net change in fiduciary net position	230,912
FIDUCIARY NET POSITION - Beginning of Year	1,669,326
FIDUCIARY NET POSITION - End of Year (b)	\$ 1,900,238
NET OPEB LIABILITY	
Net OPEB liability (a)-(b)	\$ 5,847,382
Fiduciary net position as a percentage of the total OPEB liability	24.53%
Covered Payroll	\$ 9,361,419
Net OPEB liability as a percentage of covered payroll	62.46%

OTHER SUPPLEMENTARY INFORMATION

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

COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2017 AND 2016

	2017			2016		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ 82,476	\$ 3,053,812	\$ 3,136,288	\$ 0	\$ 3,289,938	\$ 3,289,938
Receivables						
Taxes		6,178,420	6,178,420		6,305,987	6,305,987
Accounts		20,988	20,988	16,835	144,516	161,351
Due from other funds		8,148	8,148	(11,566)	13,832	2,266
Due from other governments	114,572	370,670	485,242	178,907	600,034	778,941
TOTAL ASSETS	\$ 197,048	\$ 9,632,038	\$ 9,829,086	\$ 184,176	\$ 10,354,307	\$ 10,538,483
LIABILITIES AND FUND BALANCES						
Liabilities						
Short-term notes payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,900,000	\$ 1,900,000
Accounts payable	8,781	924,060	932,841		332,559	332,559
Accrued liabilities						
Payroll, payroll taxes, insurance	188,267	1,625,988	1,814,255	184,176	1,675,747	1,859,923
Interest					9,500	9,500
Self-funded dental benefits deposits payable		45,888	45,888		42,934	42,934
Dental benefit claims payable		12,500	12,500		24,000	24,000
Due to other funds		100,000	100,000			
Unearned revenue		156,621	156,621			
Total Liabilities	197,048	2,865,057	3,062,105	184,176	4,186,558	4,370,734
Fund Balances						
Restricted		163,767	163,767		147,458	147,458
Committed		319,104	319,104		222,502	222,502
Assigned		1,451,135	1,451,135		950,055	950,055
Unassigned		4,832,975	4,832,975		4,847,734	4,847,734
Total Fund Balances	0	6,766,981	6,766,981	0	6,167,749	6,167,749
TOTAL LIABILITIES AND FUND BALANCES	\$ 197,048	\$ 9,632,038	\$ 9,829,086	\$ 184,176	\$ 10,354,307	\$ 10,538,483

**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, 2017 AND 2016

	2017						2016						
	Final Budget			Actual			Final Budget			Actual			
	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	Variance Favorable (Unfavorable)
REVENUES													
Property taxes	\$ 0	\$ 16,833,607	\$ 16,833,607	\$ 0	\$ 16,833,707	\$ 16,833,707	\$ 0	\$ 16,846,699	\$ 16,656,415	\$ 0	\$ 16,656,415	\$ 16,656,415	\$ 9,716
Other local sources		84,623	84,623		97,515	97,515		59,219	207,375		207,375	207,375	148,156
Interest sources		466,725	466,725	0	472,484	472,484		420,909	441,868	19,980	441,868	441,868	40,839
Intermediate sources	10,970	29,366	40,336	12,355	50,263	62,618	18,892	12,104	30,996	11,903	24,406	36,309	5,313
State sources	507,419	2,091,234	2,598,653	507,420	2,079,375	2,586,795	546,486	1,976,304	2,522,790	548,890	2,030,568	2,579,458	56,668
Federal sources	413,789	513,196	926,985	396,440	541,505	937,945	576,196	539,903	1,116,099	366,726	482,871	849,597	(266,502)
Other sources		70,728	70,728		73,400	73,400		57,000	57,000		88,911	88,911	31,911
Total Revenues	932,178	20,101,479	21,033,657	906,215	20,148,249	21,054,464	1,141,574	19,712,138	20,853,712	947,489	19,932,414	20,879,913	26,201
EXPENDITURES													
Instruction		9,150,376	9,150,376		9,094,762	9,094,762		9,254,103	9,254,103		9,000,590	9,000,590	253,513
Regular instruction		389,909	380,409		390,848	390,848		492,737	496,737		496,462	496,462	40,275
Vocational instruction	500						4,000						367,144
Special instruction	1,951,182	2,319,275	368,093	1,951,516	3,571,221	2,308,737	2,209,707	322,288	2,531,995	1,846,307	318,544	2,164,851	12,986
Other instruction		922,209	922,209		911,424	911,424		855,505	855,505		842,519	842,519	
Total Instruction	1,951,682	10,830,587	12,782,269	1,951,516	10,754,255	12,705,771	2,213,707	10,924,633	13,138,340	1,846,307	10,618,115	12,464,422	673,918
Support Services		492,118	716,289		492,421	717,885		475,267	702,500		461,749	680,931	21,569
Pupil services	197,804	1,008,004	1,205,808	187,243	933,927	1,121,170	196,554	943,619	1,140,173	181,070	915,839	1,096,909	43,264
Instructional staff services		478,641	478,641		464,828	464,828		464,549	464,549		417,331	417,331	47,218
General administration services		1,162,213	1,162,213		1,114,907	1,114,907		1,126,345	1,126,345		1,081,073	1,081,073	45,272
Building administration services	2,650	317,533	320,183	2,638	292,684	295,322	2,000	317,549	319,549	429	286,854	287,283	32,266
Business services		2,166,816	2,166,816		2,181,942	2,181,942		1,910,714	1,911,714		1,828,498	1,828,720	82,994
Operations and maintenance	92,164	989,229	1,081,393	82,670	889,146	971,816	116,643	900,934	1,017,577	176,507	800,592	977,089	40,478
Pupil transportation		588,682	588,682		557,653	559,462		647,872	649,652		694,800	694,800	(5,148)
Central services		195,766	195,766		185,478	185,478		208,765	211,265		177,776	177,776	33,489
Insurance		4,632	4,632		4,631	4,631		17,392	17,392		17,392	17,392	
Principal and interest		147,349	147,349		151,757	151,757		173,872	173,872		183,980	183,980	(10,108)
Other support services		7,550,983	8,067,772		7,269,374	7,769,199		7,186,876	7,734,588		6,825,884	7,403,294	331,294
Total Support Services	516,789	18,381,570	20,850,041	499,824	18,023,629	20,474,969	547,710	7,186,876	7,734,588	577,410	6,825,884	7,403,294	(10,108)
Total Expenditures	2,468,471	18,381,570	20,850,041	2,451,340	18,023,629	20,474,969	2,781,417	18,111,511	20,872,928	2,423,717	17,443,999	19,867,716	1,005,212
Excess (Deficiency) of Revenues Over Expenditures	(1,536,293)	1,719,909	183,616	(1,545,125)	2,124,620	579,495	(1,619,843)	1,800,827	(19,216)	(1,476,218)	2,488,415	1,012,197	1,031,413
OTHER FINANCING SOURCES (USES)													
Transfer (to) from other funds	1,536,293	(1,639,293)	(103,000)	1,545,125	(1,645,125)	(100,000)		(1,619,843)	19,216	1,476,218	(1,476,218)	44,535	25,319
Proceeds on sale of assets		119,740	119,740		119,737	119,737		19,216	19,216		1,44,535	1,44,535	25,319
Net Other Financing Sources (Uses)	1,536,293	(1,519,553)	16,740	1,545,125	(1,525,388)	19,737		(1,600,827)	19,216	1,476,218	(1,431,683)	44,535	25,319
Net Change in Fund Balance	0	200,356	200,356	0	599,232	599,232	0	0	0	0	1,056,732	1,056,732	1,056,732
FUND BALANCE - Beginning of Year	0	6,167,749	6,167,749	0	6,167,749	6,167,749	0	5,111,017	5,111,017	0	5,111,017	5,111,017	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 6,368,105	\$ 6,368,105	\$ 0	\$ 6,766,981	\$ 6,766,981	\$ 0	\$ 5,111,017	\$ 5,111,017	\$ 0	\$ 6,167,749	\$ 6,167,749	\$ 1,056,732

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

COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and investments	\$ 415,962	\$ 430,392
TOTAL ASSETS	<u>\$ 415,962</u>	<u>\$ 430,392</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 393	\$ 0
Fund Balances		
Restricted for debt service	<u>415,569</u>	<u>430,392</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 415,962</u>	<u>\$ 430,392</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, 2017 AND 2016

	2017			2016		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 200,000	\$ 200,000	\$ 0	\$ 351,668	\$ 351,668	\$ 0
Other local sources	1,679	1,685	6	352	1,009	657
Other sources	43,385	43,385		43,152	43,291	139
Total Revenues	<u>245,064</u>	<u>245,070</u>	<u>6</u>	<u>395,172</u>	<u>395,968</u>	<u>796</u>
EXPENDITURES						
Support Services						
Debt service						
Principal	205,000	205,000		340,228	340,228	
Interest	53,750	53,750		64,150	64,150	
Paying agents fees	1,144	1,143	1	1,113	1,116	(3)
Total Expenditures	<u>259,894</u>	<u>259,893</u>	<u>1</u>	<u>405,491</u>	<u>405,494</u>	<u>(3)</u>
Net Change in Fund Balance	(14,830)	(14,823)	7	(10,319)	(9,526)	793
FUND BALANCE - Beginning of Year	<u>430,392</u>	<u>430,392</u>	<u>0</u>	<u>439,918</u>	<u>439,918</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 415,562</u>	<u>\$ 415,569</u>	<u>\$ 7</u>	<u>\$ 429,599</u>	<u>\$ 430,392</u>	<u>\$ 793</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	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	\$ 26,451	\$ 0	\$ 0	\$ 193,183	\$ 219,634
Due from other governments			7,755		7,755
Due from other funds		100,000			100,000
TOTAL ASSETS	\$ 26,451	\$ 100,000	\$ 7,755	\$ 193,183	\$ 327,389
LIABILITIES AND FUND BALANCES					
Liabilities					
Accrued liabilities	\$ 992	\$ 0	\$ 0	\$ 209	\$ 1,201
Due to other funds			7,755		7,755
Total Liabilities	992	0	7,755	209	8,956
Fund Balances					
Restricted	25,459	100,000		192,974	318,433
Total Fund Balances	25,459	100,000	0	192,974	318,433
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,451	\$ 100,000	\$ 7,755	\$ 193,183	\$ 327,389

**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, 2017

	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	\$ 0	\$ 0	\$ 63,072	\$ 63,072
Federal sources			7,755		7,755
Total Revenues	<u>0</u>	<u>0</u>	<u>7,755</u>	<u>63,072</u>	<u>70,827</u>
Expenditures					
Instruction					
Regular instruction			334	8,914	9,248
Other instruction				904	904
Total Instruction	<u>0</u>	<u>0</u>	<u>334</u>	<u>9,818</u>	<u>10,152</u>
Support Services					
Instructional staff services			7,421	1,341	8,762
Operations and maintenance				10,927	10,927
Total Support Services	<u>0</u>	<u>0</u>	<u>7,421</u>	<u>12,268</u>	<u>19,689</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>7,755</u>	<u>22,086</u>	<u>29,841</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	100,000	0	40,986	140,986
FUND BALANCES - Beginning of Year	<u>25,459</u>	<u>0</u>	<u>0</u>	<u>151,988</u>	<u>177,447</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,459</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 192,974</u>	<u>\$ 318,433</u>

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

COMPARATIVE BALANCE SHEETS
COMMUNITY SERVICE FUND
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and investments	\$ 26,451	\$ 26,422
TOTAL ASSETS	\$ 26,451	\$ 26,422
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued liabilities	\$ 992	\$ 963
Fund Balances		
Restricted	25,459	25,459
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,451	\$ 26,422

**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, 2017 AND 2016

	2017			2016		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 0	\$ 0	\$ 19,825	\$ 17,361	\$ (2,464)
EXPENDITURES						
Support Services						
Community services				19,673	15,238	4,435
Total Expenditures	0	0	0	19,673	15,238	4,435
Net Change in Fund Balance	0	0	0	152	2,123	1,971
FUND BALANCE - Beginning of Year	25,459	25,459	0	23,336	23,336	0
FUND BALANCE - END OF YEAR	<u>\$ 25,459</u>	<u>\$ 25,459</u>	<u>\$ 0</u>	<u>\$ 23,488</u>	<u>\$ 25,459</u>	<u>\$ 1,971</u>

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

COMPARATIVE BALANCE SHEETS
LONG TERM CAPITAL IMPROVEMENT FUND
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and investments	\$ 0	\$ 0
Due from other funds	100,000	
TOTAL ASSETS	\$ 100,000	\$ 0
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 0
Total Liabilities	0	0
Fund Balances		
Restricted for long-term capital improvement projects	100,000	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,000	\$ 0

**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, 2017 AND 2016

	2017			2016		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES						
Total Expenditures	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0	0	0
OTHER FINANCING SOURCES (USES)						
Transfers (to) from other funds		100,000	100,000			
Net Other Financing Sources (Uses)	0	100,000	100,000	0	0	0
Net Change in Fund Balance	0	100,000	100,000	0	0	0
FUND BALANCE - Beginning of Year	0	0	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

COMPARATIVE BALANCE SHEETS
TITLE VII NATIVE AMERICAN
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and investments	\$ 0	\$ 0
Due from other governments	7,755	2,266
TOTAL ASSETS	\$ 7,755	\$ 2,266
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 7,755	\$ 2,266
Total Liabilities	7,755	2,266
Fund Balances		
Restricted	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,755	\$ 2,266

**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, 2017 AND 2016

	2017			2016		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 30,356	\$ 7,755	\$ (22,601)	\$ 30,356	\$ 9,834	\$ (20,522)
EXPENDITURES						
Instruction						
Regular instruction	24,756	334	24,422	24,756	8,215	16,541
Total Instruction	24,756	334	24,422	24,756	8,215	16,541
Support Services						
Pupil services				4,100	351	3,749
Instructional staff services	5,600	7,421	(1,821)	1,500	1,268	232
Total Support Services	5,600	7,421	(1,821)	5,600	1,619	3,981
Total Expenditures	30,356	7,755	22,601	30,356	9,834	20,522
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, 2017 AND 2016

	2017	2016
ASSETS		
Cash and investments	\$ 193,183	\$ 94,380
Accounts receivable		57,608
TOTAL ASSETS	\$ 193,183	\$ 151,988
LIABILITIES AND FUND BALANCES		
Liabilities		
Total Liabilities	\$ 209	\$ 0
Fund Balances		
Restricted	192,974	151,988
TOTAL LIABILITIES AND FUND BALANCES	\$ 193,183	\$ 151,988

**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, 2017 AND 2016

	2017			2016		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Local sources	\$ 60,371	\$ 63,072	\$ 2,701	\$ 116,500	\$ 117,081	\$ 581
EXPENDITURES						
Instruction						
Regular instruction	7,287	8,914	(1,627)	69,100	68,668	432
Other instruction	904	904		10,900	10,788	112
Total Instruction	8,191	9,818	(1,627)	80,000	79,456	544
Support Services						
Pupil services				6,900	6,640	260
Instructional staff services	2,000	1,341	659	3,600	3,111	489
Operations and maintenance	14,124	10,927	3,197	500	379	121
Total Support Services	16,124	12,268	3,856	11,000	10,130	870
Total Expenditures	24,315	22,086	2,229	91,000	89,586	1,414
Net Change in Fund Balance	36,056	40,986	4,930	25,500	27,495	1,995
FUND BALANCE - Beginning of Year	151,988	151,988	0	124,493	124,493	0
FUND BALANCE - END OF YEAR	\$ 188,044	\$ 192,974	\$ 4,930	\$ 149,993	\$ 151,988	\$ 1,995

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

PUPIL ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Balance 7/01/16	Additions	Deductions	Balance 6/30/17
ASSETS				
Cash and investments	\$ 235,531	\$ 262,353	\$ 263,827	\$ 234,057
TOTAL ASSETS	<u>\$ 235,531</u>	<u>\$ 262,353</u>	<u>\$ 263,827</u>	<u>\$ 234,057</u>
LIABILITIES				
Due to student organizations				
Elementary Schools	\$ 31,560	\$ 12,688	\$ 14,777	\$ 29,471
Middle School	41,795	91,250	94,522	38,523
High School	<u>162,176</u>	<u>158,415</u>	<u>154,528</u>	<u>166,063</u>
TOTAL LIABILITIES	<u>\$ 235,531</u>	<u>\$ 262,353</u>	<u>\$ 263,827</u>	<u>\$ 234,057</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, 2017**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2016	Revenues		Expenditures	Accrued Receivable June 30, 2017
					Grantor	Local Share		
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction:								
Food Distribution	10.555	2017-566678-FD-001	\$ 0 \$	0 \$	56,033 \$	0 \$	56,033 \$	0
July 1, 2016 - June 30, 2017								
Food Service Aid - Breakfast	10.553	2017-566678-SB-546		399	399		90,421	847
July 1, 2015 - June 30, 2016								
July 1, 2016 - June 30, 2017					89,574			
Food Service Aid - Milk	10.556	2017-566678-SMP-548			1,041		1,041	
July 1, 2016 - June 30, 2017								
National School Lunch Program	10.555	2017-566678-NSL-547		1,719	1,719		324,861	2,981
July 1, 2015 - June 30, 2016								
July 1, 2016 - June 30, 2017					321,880			
Area Eligible Snack Program	10.555	2017-566678-NSL-Snacks-566			2,751		2,751	
July 1, 2016 - June 30, 2017								
Summer Food Service Program	10.559	2017-566678-SFSP-586			43,921		43,921	
July 1, 2016 - June 30, 2017								
NSLP Equipment Assistance Grant	10.579	2017-566678-Equip-531					11,686	11,686
July 1, 2016 - June 30, 2017								
Total U.S. Department of Agriculture				<u>2,118</u>	<u>517,318</u>	<u>0</u>	<u>530,714</u>	<u>15,514</u>
U.S. DEPARTMENT OF EDUCATION								
Indian Education - Grants to Local Educational Agencies 84.060A								
July 1, 2015 - June 30, 2016		N/A		2,266	2,266		7,755	7,755
July 1, 2016 - June 30, 2017								
Wisconsin Department of Revenue	84.010 *	2017-566678-Title I-141	366,652	173,476	173,476		337,285	240,248
Title I-A Basic Grant			357,413	97,037	97,037			
July 1, 2015 - June 30, 2016								
July 1, 2016 - June 30, 2017								

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2016	Revenues		Expenditures	Accrued Receivable June 30, 2017
					Grantor	Local Share		
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
Wisconsin Department of Public Instruction (Continued):								
IDEA Flow Through July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017	84.027	2017-566678-IDEA-341	\$ 489,365 482,417	\$ 156,252 179,293	\$ 0 0	\$ 0 288,694	\$ 0 109,401	0
IDEA CEIS Flow Through July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017	84.027	2017-566678-CEIS-341	56,597 54,534	18,632 29,498		54,534		25,036
IDEA Preschool Entitlement July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017	84.173	2017-566678-IDEA Pre-347	16,595 16,525	2,675 11,354		16,525		5,171
Total IDEA Special Education				177,559	0	359,753		139,608
Title II-A Quality Teachers & Principals July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017	84.367	2017-566678-Title II-365	93,898 103,609	49,532 27,539		79,404		51,865
Title III-A English Language Acquisition July 1, 2015 - June 30, 2016 July 1, 2016 - June 30, 2017	84.365	2017-566678-Title IIIA=391	37,169 25,500	15,853 17,802		20,957		3,155
Pass-through CESA 5 Carl Perkins July 1, 2016 - June 30, 2017	84.048	2017-566678-CP-CTE-400	10,441	10,638		10,638		
Total U. S. Department of Education				418,686	0	815,792		442,631

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2016	Revenues		Accrued Receivable June 30, 2017
					Grantor	Local Share	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Wisconsin Department of Health Services Medical Assistance July 1, 2016 - June 30, 2017	93.778	44207000	N/A	\$ 0	\$ 130,546	\$ 0	\$ 0
Total U. S. Department of Health and Human Services				0	130,546	0	0
TOTAL FEDERAL AWARDS				<u>\$ 420,804</u>	<u>\$ 1,439,711</u>	<u>\$ 0</u>	<u>\$ 458,145</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, 2017**

Award Description	State I.D. Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable (Fund Balance) June 30, 2016		Revenues		Expenditures	Accrued Receivable (Fund Balance) June 30, 2017
				June 30, 2016	June 30, 2016	Grantor Reimbursements	Local Share		
Administering Agency									
Pass-Through Agency									
WISCONSIN DEPT. OF PUBLIC INSTRUCTION									
Cost Reimbursement Programs - Nonmajor									
Pass-through Nekoosa School District	255.301	566678-141	\$ 6,000	\$ 5,135	\$ 5,135	\$ 0	\$ 3,434	\$ 3,434	3,434
Peer Review and Mentoring				5,135	5,135	0	3,434	3,434	3,434
Total Cost Reimbursement Programs - Nonmajor									
Entitlement Programs									
Major State Programs									
General Equalization Aid	255.201	566678-116	N/A	12,300	592,300		590,067	590,067	10,067
Special Aid Adjustment	255.203	566678-118	N/A		7,077		7,077	7,077	
Aid for High Poverty School District	255.926	566678-121	N/A		116,918		116,918	116,918	
Total General Aids				12,300	716,295		714,062	714,062	10,067
Student Achievement Guarantee in Education	255.504	566678-160	N/A		644,541		644,541	644,541	
Per Pupil Aid	255.945	566678-113	N/A		701,900		437,000	437,000	
Total Entitlement Programs - Major Programs				277,200	2,062,736	0	1,795,603	1,795,603	10,067
Nonmajor State Programs									
Special Education and School Age Parents	255.101	566678-100	N/A						
Internal District Programs					507,419		507,419	507,419	
Pass-through CESA #5					12,355		12,355	12,355	
Total Special Education and School Age Parents				0	519,774	0	519,774	519,774	0
State Lunch	255.102	566678-107	N/A		7,137		7,137	7,137	
Library Aid	255.103	566678-104	N/A		59,581		59,581	59,581	
Pupil Transportation	255.107	566678-116	N/A		75,278		75,278	75,278	
School Breakfast Program	255.344	566678-108	N/A		4,171		4,171	4,171	
W1 Morning Milk	255.109	566678-109	N/A		4,778		4,778	4,778	
Bilingual/Bicultural Aid	255.106	566678-111	N/A		6,803		6,803	6,803	
Educator Effectiveness Eval System Grants Public	255.940	566678-154	N/A		12,560		12,560	12,560	
Career and Technical Educ Incentive Grants	255.950	566678-151	N/A		3,845		3,845	3,845	
Assessment of Reading Readiness	255.956	566678-166	N/A		3,661		3,661	3,661	
DNR Land	N/A	N/A	N/A		91,290		91,290	91,290	
Tax Exempt Computer Aid	N/A	N/A	N/A	30,338	30,338		30,557	30,557	30,557
Other Miscellaneous	N/A	N/A	N/A		197		197	197	
Total Entitlement Programs - Nonmajor Programs				30,338	819,413	0	819,632	819,632	30,557

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

SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Program or Award Amount	Accrued Receivable (Fund Balance) June 30, 2016	Revenues		Expenditures	Accrued Receivable (Fund Balance) June 30, 2017
				Grantor Reimbursements	Local Share		
<u>WISCONSIN DEPT. OF WORKFORCE DEVELOPMENT</u>							
Cost Reimbursement Programs - Nonmajor							
Pass-through CESA #5							
Youth Apprenticeship	445.112	\$ 1,800	\$ 0	\$ 13,583	\$ 0	\$ 13,583	\$ 0
			0	13,583	0	13,583	0
Total Cost Reimbursement Programs - Nonmajor			\$ 312,673	\$ 2,900,867	\$ 0	\$ 2,632,252	\$ 44,058
TOTAL STATE AWARDS							

**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, 2017**

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

2016-2017 eligible costs under the State Special Education Program are \$2,017,665.

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, 2017, 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 29, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 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 29, 2017

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, 2017. 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, 2017.

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.

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 29, 2017

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to the financial statements? Yes No

Federal Awards

Internal control over financial reporting:

Material weakness identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

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

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

Identification of major federal award programs:

CFDA Number Name of Federal Program or Cluster

84.010 Title I-A Basic Grant

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, 2017**

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? _____ Yes X No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.201	General Equalization Aid
255.203	Special Aid Adjustment
255.926	Aid for High Poverty School District
255.945	Per Pupil Aid

Section II - Financial Statement Findings

Financial Statement Significant Deficiencies

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 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, 2017**

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 2017-001.

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

No findings or questioned costs.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017**

2016-001 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
WISCONSIN DELLS, WISCONSIN**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

Significant Deficiency 2017-001 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.