VERONA AREA SCHOOL DISTRICT
Verona, Wisconsin

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

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VERONA, WISCONSIN
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VERONA, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Verona Area School District
Verona, 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 Verona Area School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 auditors' 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 District'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 District'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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Prior Period Adjustment

As discussed in Note 17 to the financial statements, the fund balance of the Debt Service Fund has been restated as of June 30, 2018**.** Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information, as presented in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other supplementary financial 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 27, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Middleton, Wisconsin
November 27, 2019

BASIC FINANCIAL STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 98,592,571	$ 1,000	$ 98,593,571
Accounts Receivable	92,448	9,045	101,493
Taxes Receivable	19,153,962	-	19,153,962
Internal Balances	(184,544)	184,544	-
Due from Employee Benefit Trust Fund	358,169	5,810	363,979
Due from Other Governments	2,941,646	43,321	2,984,967
Prepaids, Inventories and Other Current Assets	172,992	5,464	178,456
Total Current Assets	121,127,244	249,184	121,376,428
Noncurrent Assets:			
Net Other Postemployment Benefits (OPEB) Asset	5,660,805	97,110	5,757,915
Capital Assets:			
Land	13,941,655	-	13,941,655
Construction in Progress	103,837,524	-	103,837,524
Land Improvements	6,857,660	-	6,857,660
Buildings and Building Improvements	75,043,937	-	75,043,937
Furniture and Equipment	10,174,345	447,210	10,621,555
	209,855,121	447,210	210,302,331
Less Accumulated Depreciation	(46,908,321)	(366,549)	(47,274,870)
Total Capital Assets	162,946,800	80,661	163,027,461
Total Noncurrent Assets	168,607,605	177,771	168,785,376
Total Assets	289,734,849	426,955	290,161,804
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges - WRS	22,633,733	388,278	23,022,011
Deferred Pension Charges - Supplemental Pension	189,920	-	189,920
Deferred Local Retiree Life Insurance Fund (LRLIF) Charges	201,826	3,462	205,288
Deferred OPEB Charges	207,638	3,562	211,200
Total Deferred Outflows of Resources	23,233,117	395,302	23,628,419
Total Assets and Deferred Outflows of Resources	312,967,966	822,257	313,790,223

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Short-Term Note Payable	12,000,000	-	12,000,000
Accounts Payable	4,009,478	-	4,009,478
Accrued Liabilities	5,656,441	-	5,656,441
Accrued Interest	1,816,124	-	1,816,124
Unearned Revenues	-	85,895	85,895
Current Portion of Long-Term Liabilities	10,237,420	-	10,237,420
Total Current Liabililities	33,719,463	85,895	33,805,358
Noncurrent Liabilities:			
Net LRLIF Liability	1,180,988	20,260	1,201,248
Net Pension Liability - WRS	8,748,063	150,071	8,898,134
Net Supplemental Pension Liability	1,567,827	-	1,567,827
Long-Term Liabilities, Less Current Portion	178,487,799	-	178,487,799
Total Noncurrent Liabililities	189,984,677	170,331	190,155,008
Total Liabilities	223,704,140	256,226	223,960,366
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits - Supplemental Pension	629,599	-	629,599
Deferred Pension Credits - WRS	12,064,487	206,964	12,271,451
Deferred LRLIF Credits	357,710	6,136	363,846
Deferred OPEB Credits	5,034,772	86,371	5,121,143
Total Deferred Inflows of Resources	18,086,568	299,471	18,386,039
Total Liabilities and Deferred Inflows of Resources	241,790,708	555,697	242,346,405
NET POSITION			
Net Investment in Capital Assets	84,308,663	80,661	84,389,324
Restricted for:			
Debt Service	3,607,566	-	3,607,566
Special Projects	555,876	-	555,876
Capital Expansion	672,360	-	672,360
Employee Benefits	-	97,110	97,110
Food Service	-	88,789	88,789
Unrestricted Deficit	(17,967,207)	-	(17,967,207)
Total Net Position	$ 71,177,258	$ 266,560	$ 71,443,818

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Net Revenue (Expense) and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular Instruction	$ 32,008,445	$ 1,857,151	$ 4,085,132	$ (26,066,162)	$ -	$ (26,066,162)
Vocational Instruction	1,657,383	14,300	-	(1,643,083)	-	(1,643,083)
Co-Curricular Activities	923,113	66,865	-	(856,248)	-	(856,248)
Special Instruction	11,237,125	-	3,746,210	(7,490,915)	-	(7,490,915)
Physical Curriculum	1,620,424	11,068	-	(1,609,356)	-	(1,609,356)
Total Instruction	47,446,490	1,949,384	7,831,342	(37,665,764)	-	(37,665,764)
Support Services:						
Pupil Services	3,781,761	-	-	(3,781,761)	-	(3,781,761)
Instructional Staff Services	4,370,722	-	-	(4,370,722)	-	(4,370,722)
General Administration	2,110,795	-	-	(2,110,795)	-	(2,110,795)
School Administration	4,348,371	-	-	(4,348,371)	-	(4,348,371)
Business Services	1,544,991	-	-	(1,544,991)	-	(1,544,991)
Operation and Maintenance of Plant	7,505,566	-	-	(7,505,566)	-	(7,505,566)
Pupil Transportation Services	2,904,487	-	124,151	(2,780,336)	-	(2,780,336)
Central Services	454,884	-	-	(454,884)	-	(454,884)
Insurance	434,240	-	-	(434,240)	-	(434,240)
Community Services	327,957	129,485	-	(198,472)	-	(198,472)
Other Support Services	140,189	-	-	(140,189)	-	(140,189)
Interest and Other Debt Service Costs	5,416,812	-	-	(5,416,812)	-	(5,416,812)
Depreciation and Amortization - Unallocated	12,717	-	-	(12,717)	-	(12,717)
Total Support Services	33,353,492	129,485	124,151	(33,099,856)	-	(33,099,856)
Nonprogram	1,539,330	-	-	(1,539,330)	-	(1,539,330)
Total Governmental Activities	82,339,312	2,078,869	7,955,493	(72,304,950)	-	(72,304,950)
BUSINESS-TYPE ACTIVITIES						
School Food Service Program	2,685,981	969,637	1,295,820	-	(420,524)	(420,524)
Total School District	$ 85,025,293	$ 3,048,506	$ 9,251,313	(72,304,950)	(420,524)	(72,725,474)
	GENERAL REVENUES					
	Property Taxes:					
	General Purposes			40,760,417	-	40,760,417
	Debt Services			15,588,108	-	15,588,108
	Community Services			495,259	-	495,259
	Capital Projects			1,000	-	1,000
	State and Federal Aid Not Restricted to Specific Purposes:					
	General			21,578,844	-	21,578,844
	Interest and Investment Earnings			3,107,109	-	3,107,109
	Miscellaneous			330,430	7,131	337,561
	Total General Revenues			81,861,167	7,131	81,868,298
	CHANGE IN NET POSITION			9,556,217	(413,393)	9,142,824
	Net Position - Beginning of Year			61,621,041	679,953	62,300,994
	NET POSITION - END OF YEAR			$ 71,177,258	$ 266,560	$ 71,443,818

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Funds			Other	
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 5,950,701	$ 953,250	$ 90,347,613	$ 1,341,007	$ 98,592,571
Accounts Receivable	92,448	-	-	-	92,448
Taxes Receivable	14,935,522	4,218,440	-	-	19,153,962
Due from Other Funds	9,293,859	-	-	478,464	9,772,323
Due from Employee Benefit Trust Fund	355,624	-	-	2,545	358,169
Due from Other Governments	1,341,646	-	1,600,000	-	2,941,646
Prepaids, Inventories and Other Current Assets	172,992	-	-	-	172,992
Total Assets	$ 32,142,792	$ 5,171,690	$ 91,947,613	$ 1,822,016	$ 131,084,111
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Short-Term Notes Payable	$ 12,000,000	$ -	$ -	$ -	$ 12,000,000
Accounts Payable	249,278	-	3,758,077	2,123	4,009,478
Accrued Salaries and Related Items	5,193,302	-	-	7,327	5,200,629
Due to Other Funds	640,134	-	8,899,879	416,854	9,956,867
Accrued Interest	252,000	-	-	-	252,000
Other Current Liabilities	455,812	-	-	-	455,812
Total Liabilities	18,790,526	-	12,657,956	426,304	31,874,786
FUND BALANCES					
Nonspendable	172,992	-	-	-	172,992
Restricted for:					
Debt Service Retirement	-	5,171,690	-	-	5,171,690
Capital Projects	-	-	79,289,657	-	79,289,657
Capital Expansion	-	-	-	672,360	672,360
Special Projects	-	-	-	555,876	555,876
Committed for:					
Self Insurance	78,230	-	-	-	78,230
Assigned	13,101,044	-	-	167,476	13,268,520
Total Fund Balances	13,352,266	5,171,690	79,289,657	1,395,712	99,209,325
Total Liabilities and Fund Balances	$ 32,142,792	$ 5,171,690	$ 91,947,613	$ 1,822,016	$ 131,084,111

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF GOVERNMENT FUND BALANCE TO NET POSITION OF GOVERNMENTAL FUNDS
JUNE 30, 2019

Total Fund Balances - Governmental Funds		$ 99,209,325
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Governmental Capital Assets	$ 209,855,121	
Governmental Accumulated Depreciation	(46,908,321)	162,946,800
The District's net other postemployment benefits (OPEB) asset and deferred outflows and inflows of resources are not reported in the governmental funds but are in the statement of net position.		833,671
The District's net local retiree life insurance fund (LRLIF) liability and deferred outflows and inflows of resources are not reported in the governmental funds but are in the statement of net position.		(1,336,872)
The District's net pension liability and related deferred inflows and outflows of resources are recorded only on the statement of net position.		(2,007,506)
The District's proportionate share of the net pension liability and deferred outflows and inflows of resources related to their participation in WRS are not recorded in the governmental funds but are recorded in the statement of net position.		1,821,183
Some liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of the following:		
Bonds Payable	(167,475,000)	
State Trust Fund Loans	(7,640,808)	
Notes Payable	(4,220,000)	
Premium on Refunded Bonds and Notes Payable	(6,688,413)	
Accrued Interest on Bonds and Notes Payable	(1,564,124)	
Compensated Absences	(2,700,998)	(190,289,343)
Net Position of Governmental Activities		$ 71,177,258

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Major Funds			Other	Total
	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	Governmental Funds
REVENUES					
Local Sources:					
Property Taxes	$ 40,760,417	$ 15,588,108	$ -	$ 496,259	$ 56,844,784
Other Local Sources	730,570	-	-	1,303,605	2,034,175
Interdistrict Sources	1,325,486	-	-	-	1,325,486
State Sources	25,903,084	-	-	-	25,903,084
Federal Sources	2,404,484	-	-	-	2,404,484
Other Sources	657,368	56,321	2,654,580	15,247	3,383,516
Total Revenues	71,781,409	15,644,429	2,654,580	1,815,111	91,895,529
EXPENDITURES					
Instruction:					
Regular Instruction	27,038,003	-	-	589,880	27,627,883
Vocational Instruction	1,519,375	-	-	3,398	1,522,773
Co-Curricular Activities	663,839	-	-	220,435	884,274
Special Instruction	10,333,301	-	-	-	10,333,301
Physical Curriculum	1,488,728	-	-	-	1,488,728
Support Services:					
Pupil Services	3,462,587	-	-	-	3,462,587
Instructional Staff Services	4,035,800	-	-	4,859	4,040,659
General Administration	1,938,022	-	-	3,971	1,941,993
School Administration	3,804,605	-	-	164,760	3,969,365
Business Services	1,452,631	-	-	70,229	1,522,860
Operation and Maintenance of Plant	4,536,065	-	91,506,656	27,427	96,070,148
Pupil Transportation Services	2,657,089	-	-	188,412	2,845,501
Central Services	407,448	-	-	28,449	435,897
Insurance	432,295	-	1,945	-	434,240
Community Services	-	-	-	312,619	312,619
Other Support Services	95,691	-	-	1,970	97,661
Nonprogram	1,539,330	-	-	-	1,539,330
Debt Service:					
Principal	-	15,295,000	-	-	15,295,000
Interest	344,413	5,170,312	-	-	5,514,725
Total Expenditures	65,749,222	20,465,312	91,508,601	1,616,409	179,339,544
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,032,187	(4,820,883)	(88,854,021)	198,702	(87,444,015)
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	85,000,000	-	85,000,000
Premium (Discount) on Issuance of Debt	-	3,051,266	-	-	3,051,266
Transfers In	-	2,775,705			2,775,705
Transfers Out	(2,775,705)	-	-	-	(2,775,705)
Net Other Financing Sources (Uses)	(2,775,705)	5,826,971	85,000,000	-	88,051,266
NET CHANGE IN FUND BALANCES	3,256,482	1,006,088	(3,854,021)	198,702	607,251
Fund Balances - Beginning of Year, Restated	10,095,784	4,165,602	83,143,678	1,197,010	98,602,074
FUND BALANCES - END OF YEAR	$ 13,352,266	$ 5,171,690	$ 79,289,657	$ 1,395,712	$ 99,209,325

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds		$ 607,251
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:		
Capital Outlays Reported in Governmental Fund Statements	$ 88,986,266	
Depreciation Expense Reported in the Statement of Activities	(1,977,904)	
Amount by which Capital Outlays are Greater than Depreciation in the Current Year		87,008,362
Fixed Asset Disposals in Current Year	(210,784)	
Accumulated Depreciation on Fixed Asset Disposals	71,894	
Loss on Disposal of Fixed Assets		(138,890)
Premiums received on bond refunding and promissory note issuance is reported as revenue in the governmental funds, but is capitalized and amortized over the life of the bonds/notes in the statement of net position and the statement of activities.		
Amount of Premium Recognized in the Current Year	(3,051,266)	
Amount Amortized in the Current Year	692,017	(2,359,249)
Compensated absences are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Compensated Absences Paid in Current Year	197,278	
Compensated Absences Earned in Current Year	(562,265)	
Amounts Paid are Less than Amounts Earned by:		(364,987)
Changes in the District's proportionate shate of the net pension liability and deferred outflows and inflows of resources related to WRS for the current year are not reported in the governmental funds but are reported in the statement of activities.		(3,363,526)
Changes in the District's net pension liability and deferred outflows and inflows of resources related to supplemental pension benefits for the current year are not reported in the governmental funds but are reported in the statement of activities.		(262,643)
Changes in the District's net other postemployment benefit asset and deferred outflows and inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.		(1,177,199)

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2019

Changes in the District's net local retiree life insurance fund liability and deferred outflows and inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.		(93,798)
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.		
Amount of Long-Term Debt Principal Payments in the Current Year		15,295,000
Principal proceeds from long-term debt issuance is reported in the governmental funds as revenue, but is reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities.		
Amount of Proceeds from Long-Term Debt in the Current Year		(85,000,000)
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
Amount of Interest Paid during the Current Year	$ 5,170,311	
Amount of Interest Accrued during the Current Year	(5,764,415)	
Interest Paid is Less than Interest Accrued by:		(594,104)
Change in Net Position of Governmental Activities		$ 9,556,217

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2019

ASSETS		
Current Assets:		
Cash	$	1,000
Accounts Receivable		9,045
Prepaid Expenses		5,464
Due from Other Funds		184,544
Due from Employee Benefit Trust Fund		5,810
Due from Other Governments		43,321
Total Current Assets		249,184
Noncurrent Assets:		
Net Other Postemployment Benefits (OPEB) Asset		97,110
Furniture and Equipment		447,210
Less Accumulated Depreciation		(366,549)
Total Noncurrent Assets		177,771
Total Assets		426,955
DEFERRED OUTFLOWS OF RESOURCES		
Deferred OPEB Charges		3,562
Deferred Local Retiree Life Insurance Fund (LRLIF) Charges		3,462
Deferred Pension Charges - WRS		388,278
Total Deferred Outflows of Resources		395,302
Total Assets and Deferred Outflows of Resources		822,257
LIABILITIES		
Current Liabilities:		
Unearned Revenues		85,895
Noncurrent Liabilities:		
Net LRLIF Liability		20,260
Net WRS Pension Liability		150,071
Total Noncurrent Liabilities		170,331
Total Liabilities		256,226
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits - WRS		206,964
Deferred LRLIF Credits		6,136
Deferred OPEB Credits		86,371
Total Deferred Inflows of Resources		299,471
Total Liabilities and Deferred Inflows of Resources		555,697
NET POSITION		
Net Investment in Capital Assets		80,661
Restricted for:		
Employee Benefits		97,110
Food Service Programs		88,789
Total Net Position	$	266,560

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

REVENUES	
Food Sales	$ 969,637
State Sources	54,165
Federal Sources	1,088,761
Federal Commodities	152,894
Other Revenues	7,131
Total Revenues	2,272,588
OPERATING EXPENSES	
Salaries and Wages	773,830
Employer Paid Benefits	402,628
Purchased Services	23,254
Supplies, Food, and Materials	1,467,549
Other	7,527
Depreciation	11,193
Total Operating Expenses	2,685,981
CHANGE IN NET POSITION	(413,393)
Net Position - Beginning of Year	679,953
NET POSITION - END OF YEAR	$ 266,560

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 969,991
Cash Received from Other Government Payments	1,261,296
Cash Payments to Employees for Services	(1,008,323)
Cash Payments to Suppliers for Goods and Services	(1,222,964)
Net Cash Provided by Operating Activities	-
NET CHANGE IN CASH	-
Cash - Beginning of Year	1,000
CASH - END OF YEAR	$ 1,000
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in Net Position	$ (413,393)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:	
Depreciation	11,193
Changes in Assets and Liabilities:	
Accounts Receivable	(9,022)
Prepaid Expenses	8,644
Due from Other Governments	(34,524)
Due from Other Funds	266,722
Due from Employee Benefit Trust Fund	1,627
Net WRS Pension Liability and Related Deferred Outflows/Inflows	59,489
Net LRLIF Liability and Related Deferred Outflows/Inflows	2,674
Net OPEB Asset and Related Deferred Outflows/Inflows	104,345
Deferred Revenue	2,245
Net Cash Provided by Operating Activities	$ -

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds	Employee Benefit Trust Fund: OPEB Benefits	Employee Benefit Trust Fund: Stipend Benefits	Scholarship Fund
ASSETS				
Cash and Investments	$ 227,111	$ 20,476,421	$ 9,754,193	$ 84,454
Total Assets	227,111	20,476,421	9,754,193	84,454
LIABILITIES				
Scholarships Payable	-	-	-	11,487
Due to Other Funds	-	363,979	-	-
Due to Student Groups	227,111	-	-	-
Total Liabilities	227,111	363,979	-	11,487
NET POSITION				
Restricted for:				
Scholarship Fund	-	-	-	46,773
OPEB Benefits	-	20,112,442	-	-
Stipend Benefits	-	-	9,754,193	-
Nonspendable	-	-	-	26,194
Total Net Position	$ -	$ 20,112,442	$ 9,754,193	$ 72,967

See accompanying Notes to Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019

	Employee Benefit Trust Fund		
	OPEB Benefits	Stipend Benefits	Scholarship Fund
ADDITIONS			
Contributions	$ -	$ -	$ 8,180
Investment Earnings	1,985,410	1,116,792	205
Total Additions	1,985,410	1,116,792	8,385
DEDUCTIONS			
Scholarships	-	-	6,148
Benefit Payments	2,045,376	1,340,550	-
Administrative Expenses	36,808	20,705	-
Total Deductions	2,082,184	1,361,255	6,148
CHANGE IN NET POSITION	(96,774)	(244,463)	2,237
Net Position - Beginning of Year	20,209,216	9,998,656	70,730
NET POSITION - END OF YEAR	$ 20,112,442	$ 9,754,193	$ 72,967

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Verona Area School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) 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.

Reporting Entity

The District is organized as a common school district under the Wisconsin State Statutues. The District, governed by a seven-member elected school board, operates grades K through 12 and is comprised of all or parts of seven taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially acountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

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

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 funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those accounted for in another fund. This fund includes activities associated with providing educational programs for students with disabilities.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. For report purposes, the District has combined its debt services funds into one fund.

Capital Projects Funds – The Capital Projects Fund is used to account for expenditures financed through the use of bonds, promissory notes, state trust fund loans, etc.

The district operates one proprietary fund:

Food Service Fund – This fund accounts for the activities of the District's food service program.

Additionally, the District reports the following fiduciary fund:

Agency Fund – The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units; specifically, activities of student organizations are accounted for in the agency fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The district accounts for assets held as an agent for various student organizations in an agency fund.

The district accounts for transactions related to scholarships for graduating seniors in a private purpose trust fund.

The district accounts for assets that are accumulated to finance retiree health insurance benefits and stipend benefits in an employee benefit trust fund.

Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust 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. Fiduciary agency funds do not have a measurement focus.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

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

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

All investments are stated at fair value. Determination of fair value for investment in the state treasurer's investment pool is based on information provided by the State of Wisconsin Investment Board.

2. Receivables and Payables

Property Taxes. 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. The county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

The District's property taxes are levied on or before October 31 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 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 property taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2018 tax levy is used to finance operations of the District's fiscal year ended June 30, 2019. All property taxes are considered due on January 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. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are classified as nonspendable fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

Bond/Note Premiums. Premiums associated with the issuance of general obligation bonds and promissory notes are being amortized using the effective interest method over the life of the bonds and notes.

3. Inventories and Prepaid Items

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

4. Capital Assets

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

Assets not being depreciated include land. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Building Improvements	5,000	Straight-line	20-50 Years
Land Improvements	5,000	Straight-line	20 Years
Food Service Equipment	5,000	Straight-line	5-20 Years
Other Furniture, Fixtures, and Equipment	5,000	Straight-line	5 Years
Library Books and Video Collections*	5,000	Straight-line	5 Years

* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year.

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. Deferred outflows of resources are reported in these financial statements related to pensions and other postemployment benefits.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred inflows of resources related to pensions and other postemployment benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Compensated Absences

Vacation. Support personnel are provided paid vacation days based on years of service, accumulating up to 40 days. Administrative staff are provided paid vacation days based on years of service, accumulating up to 60 days.

General Leave. General leave includes sick leave and other compensated absences. Employees earn varying amounts of general leave for each year employed, accumulating to a maximum vested amount of 141 days. Teaching staff and support staff become fully vested in accumulated unpaid general leave after attaining five years of service.

Administrative staff is immediately fully vested. Upon retirement or termination of employment, the employee is entitled to be paid accumulated vested general leave in cash.

8. Other Postemployment Benefits (OPEB) – including Local Retiree Life Insurance Fund (LRLIF) benefits

For purposes of measuring the net other postemployment benefits liability (asset), deferred OPEB charges, deferred OPEB credits, and the related OPEB expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Pension Benefits – including Wisconsin Retirement System and Supplemental Pension

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.

For purposes of measuring the net supplemental pension liability (asset), deferred pension charges - supplemental pension, deferred pension credits - supplemental pension, and the related pension expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

10. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. In the government-wide financial statement, premiums are capitalized on the statement of net position and amortized over the life of the related debt.

11. Use of Restricted Resources

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

12. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources is classified as follows in the District's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of 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. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

13. Equity Classifications (Continued)

Fund Financial Statements (Continued). Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain an assigned portion of fund balance of at least 10% but not greater than 35% of the anticipated general fund expenditure budget for the subsequent year. In addition, the District shall strive to maintain a minimum fund balance in their self-funded dental insurance plan of 10% of premium costs.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Superintendent has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned, and finally unassigned fund balance.

The District's policy on fund balance is to maintain a level of fund balance which strives to avoid cash flow borrowing, help maintain the District's current high-quality bond ratings, to provide a resource for emergency expenditures, to build a reasonable reserve, and to ensure continuity of the District's self-funded dental insurance plan. See Note 11 for additional information regarding the District's fund balances.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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 reconciling amounts shown in the columns on pages 8 and 10 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 in the statement of activities recognize the change in vested employee benefits.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

b. Capital related differences include (1) the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale/disposal 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.

NOTE 3 DEPOSITS AND INVESTMENTS

The debt service fund and capital projects fund account for their transactions through separate and distinct investment accounts as recommended by the Department of Public Instruction. In addition, the agency and trust funds use separate and distinct accounts. All other funds share in common bank and investments accounts.

The District's cash and investments balances at June 30, 2019 comprised of the following:

	Book Balance	Bank Balance	Risks*
Petty Cash	$ 1,000	$ -	
Demand Deposits	(7,530,389)	2,245,906	CCR
Savings Deposits	129,270	129,270	CCR
Certificates of Deposits - Direct Placement	86,184	86,184	CCR
Certificates of Deposits - Brokered	10,905,098	10,905,098	CCR, CR, IRR
LGIP	15,989,621	15,989,621	CCR, CR, IRR
WISC - Cash Management Fund	15,009,042	15,009,042	CCR
WISC - Investment Class Fund	16,031,682	16,031,682	CCR
U.S. Agencies	7,220,429	7,220,429	CCR, CR, IRR
Municipal Securities	7,280,573	7,280,573	CCR, CR, IRR
Corporate Bonds	42,858,389	42,858,389	CCR, CR, IRR
WISC - Limited Term Duration Fund	18,717,586	18,717,586	CCR, CR, IRR
Fixed Income Contract	2,437,265	2,437,265	CCR, CR, IRR
Total	$ 129,135,750	$ 138,911,045	

*Custodial Credit Risk (CCR), Credit Risk (CR), Interest Rate Risk (IRR)

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The District's cash and investments balances at June 30, 2019 are presented in the financial statements as follows:

Governmental Funds	$	98,592,571
Business-type Activities		1,000
Agency Funds		227,111
Employee Benefit Trust Funds		
OPEB Benefits		20,476,421
Stipend Benefits		9,754,193
Scholarship Fund		84,454
Total	$	129,135,750

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for demand deposit accounts and $250,000 for time deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of $400,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at June 30, 2019, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

As of June 30, 2019, $2,082,088 of the District's bank balance of $2,461,360 was uninsured or uncollateralized.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments are subject to custodial credit risk.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of June 30, 2019, the District's investments had credit ratings as follows:

	Credit Rating					
Investments	AAA/Aaa	AA+\Aa1	AA\Aa2	AA-\Aa3	A+\A1	A\A2
Certificates of Deposit	$ -	$ -	$ -	$ -	$ -	$ -
LGIP	-	-	-	-	-	-
U.S. Agencies	-	7,220,429	-	-	-	-
Municipal Securities	555,843	929,298	2,390,300	686,835	1,195,840	697,612
Corporate Bonds	715,580	5,751,893	2,198,594	7,635,615	6,958,367	2,078,353
WISC - Limited Term Duration Fund	-	18,717,586	-	-	-	-
Fixed Income Contract	-	-	-	-	-	-
Total	$ 1,271,423	$ 32,619,206	$ 4,588,894	$ 8,322,450	$ 8,154,207	$ 2,775,965

	Credit Rating				
Investments	A-\A3	BBB+\Baa1	BBB/Baa2	Not Defined	Total
Certificates of Deposit	$ -	$ -	$ -	$ 10,905,098	$ 10,905,098
LGIP	-	-	-	15,989,621	15,989,621
U.S. Agencies	-	-	-	-	7,220,429
Municipal Securities	-	-	-	824,845	7,280,573
Corporate Bonds	4,232,808	2,992,196	1,935,118	8,359,866	42,858,390
WISC - Limited Term Duration Fund	-	-	-	-	18,717,586
Fixed Income Contract	-	-	-	2,437,265	2,437,265
Total	$ 4,232,808	$ 2,992,196	$ 1,935,118	$ 38,516,695	$ 105,408,962

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2019, the District's investments mature as follows:

	Years to Maturity			
Investments	< 1	1-5	6-10	11-20
Certificates of Deposit	$ 10,905,098	$ -	$ -	$ -
LGIP	15,989,621	-	-	-
U.S. Agencies	14,365	2,288,297	-	4,917,767
Municipal Securities	-	1,739,768	2,186,651	3,354,154
Corporate Bonds	14,041,520	18,389,172	2,511,526	2,939,901
WISC - Limited Term Duration Fund	18,717,586	-	-	-
Fixed Income Contract	-	-	-	-
Total	$ 59,668,190	$ 22,417,237	$ 4,698,177	$ 11,211,822

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Investments	Years to Maturity 21-30	31-40	Not Defined	Total
Certificates of Deposit	$ -	$ -	$ -	$ 10,905,098
LGIP	-	-	-	15,989,621
U.S. Agencies	-	-	-	7,220,429
Municipal Securities	-	-	-	7,280,573
Corporate Bonds	4,695,856	280,415	-	42,858,390
WISC - Limited Term Duration Fund	-	-	-	18,717,586
Fixed Income Contract	-	-	2,437,265	2,437,265
Total	$ 4,695,856	$ 280,415	$ 2,437,265	$ 105,408,962

Concentration of Credit Risk

As of June 30, 2019, the District has a concentration of greater than 5 percent of investment in the following:

Description	Amount	Weight
WISC – Limited Term Duration Fund	$18,717,586	13.72%
LGIP	14,374,175	10.54%

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the statement of net position is based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

As of June 30, 2019, the District has the following assets subject to fair value measurement:

Description	Level 1	Level 2	Level 3	Total
Certificates of Deposits - Brokered	$ -	$ 10,905,098	$ -	$ 10,905,098
U.S. Agencies	-	7,220,429	-	7,220,429
Municipal Securities	-	7,280,573	-	7,280,573
Corporate Bonds	-	42,858,389	-	42,858,389
WISC - Limited Term Duration Fund	-	18,717,586	-	18,717,586
Fixed Income Contract	-	2,437,265	-	2,437,265
Total	$ -	$ 89,419,340	$ -	$ 89,419,340

NOTE 4 CAPITAL ASSETS

Changes in the capital assets for the year ended June 30, 2019 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 13,941,655	$ -	$ -	$ 13,941,655
Construction Work in Progress	15,192,920	88,644,604	-	103,837,524
Total Capital Assets, Not Being Depreciated	29,134,575	88,644,604	-	117,779,179
Capital Assets, Being Depreciated:				
Land Improvements	6,857,660	-	-	6,857,660
Buildings and Improvements	75,043,937	-	-	75,043,937
Other Furniture, Fixtures, Equipment and Library Books	10,043,467	341,662	(210,784)	10,174,345
Total Capital Assets, Being Depreciated	91,945,064	341,662	(210,784)	92,075,942
Less Accumulated Depreciation for:				
Land Improvements	(3,288,613)	(156,643)	-	(3,445,256)
Buildings and Improvements	(34,996,157)	(1,453,363)	-	(36,449,520)
Other Furniture, Fixtures, Equipment and Library Books	(6,717,541)	(367,898)	71,894	(7,013,545)
Total Accumulated Depreciation	(45,002,311)	(1,977,904)	71,894	(46,908,321)
Total Capital Assets, Being Depreciated, Net	46,942,753	(1,636,242)	(138,890)	45,167,621
Governmental Activities Capital Assets, Net	$ 76,077,328	$ 87,008,362	$ (138,890)	$ 162,946,800
Business-Type Activities				
Capital Assets, Being Depreciated:				
Furniture and Equipment	$ 447,210	$ -	$ -	$ 447,210
Less Accumulated Depreciation	(355,356)	(11,193)	-	(366,549)
Business-Type Activities Capital Assets, Net	$ 91,854	$ (11,193)	$ -	$ 80,661

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation was charged to governmental functions as follows:

Instruction:		
Regular Instruction	$	1,780,013
Support Services:		
General Administrative Services		73,497
Operation and Maintenance of Plant		52,691
Pupil Transportation Services		58,986
Unallocated Depreciation		12,717
Total Depreciation for Governmental Activities	$	1,977,904

NOTE 5 INTERFUNDS RECEIVABLES/ PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	$ 8,899,879
General Fund	Community Service Funds	393,980
Special Revenue Fund	General Fund	472,874
Food Service Fund	General Fund	167,260
Food Service Fund	Special Revenue Fund	17,284
Community Service Fund	Special Revenue Fund	5,590
	Total	$ 9,956,867

Transfers

Fund Transferred To	Fund Transferred From	Amount
Debt Service Fund	General Fund	$ 2,775,705
	Total	$ 2,775,705

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 SHORT TERM DEBT

Short-term notes payable at June 30, 2019, are as follows:

	Balance June 30, 2018	Issued	Redeemed	Balance June 30, 2019
U.S. Bank National Association	$ 10,500,000	$ 12,000,000	$ (10,500,000)	$ 12,000,000
Total Short-Term Notes Payable	$ 10,500,000	$ 12,000,000	$ (10,500,000)	$ 12,000,000

The District issued tax and revenue anticipation promissory notes on October 18, 2018, in advance of property tax collections in the amount of $12,000,000. The notes are necessary because expenditure payments for the year begin in July, whereas the tax collections are received from the municipalities beginning in January. The notes bear interest at 3.0% and matured on October 18, 2019.

The District issued tax and revenue anticipation promissory notes on October 19, 2017, in advance of property tax collections in the amount of $10,500,000. The notes are necessary because expenditure payments for the year begin in July, whereas the tax collections are received from the municipalities beginning in January. The notes bear interest at 2.0% and matured on September 27, 2018.

Total interest on short term debt paid during the year was $197,167.

NOTE 6 LONG-TERM LIABILITIES

Long-term obligations of the District for the year ended June 30, 2019 were as follows:

	Balances June 30, 2018	Additions	Reductions	Balances June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
Capital Projects	$ 75,235,000	$ 80,000,000	$ (12,570,000)	$ 142,665,000	$ 5,270,000
Postemployment Benefits	25,335,000	-	(525,000)	24,810,000	700,000
Total Bonds Payable	100,570,000	80,000,000	(13,095,000)	167,475,000	5,970,000
State Trust Funds Loans	3,540,808	5,000,000	(900,000)	7,640,808	2,325,000
Notes Payable:					
Capital Projects	1,610,000	-	(375,000)	1,235,000	300,000
Postemployment Benefits	3,910,000	-	(925,000)	2,985,000	790,000
Total Notes Payable	5,520,000	-	(1,300,000)	4,220,000	1,090,000
Other Liabilities:					
Compensated Absences	2,336,011	562,265	(197,278)	2,700,998	197,000
Bond and Note Premiums	4,329,164	3,051,266	(692,017)	6,688,413	655,420
Total Other Liabilities	6,665,175	3,613,531	(889,295)	9,389,411	852,420
Total Governmental Activity Long-Term Liabilities	$ 116,295,983	$ 88,613,531	$ (16,184,295)	$ 188,725,219	$ 10,237,420

Current Year Borrowings

On November 19, 2018, the District issued $80,000,000 G.O. Corporate Purpose Bonds, Series 2018 with an interest rate from 3.25% to 5.00%. The proceeds of the bonds will be used for the purpose of capital related expenditures. The bonds mature on April 1, 2038.

On August 29, 2018, the District issued $5,000,000 State Trust Fund Loans with an interest rate of 4.00%. The proceeds of the bonds will be used for the purpose of capital related expenditures. The loan matures on March 15, 2023.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and taxing powers of the district. Individual general obligation long-term debt issues outstanding at June 30, 2019 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
Notes and Bonds Awarded to:					
G.O. Refunding Bonds, Series 2012	04/10/12	10/01/24	2.00%-2.50%	$ 9,970,000	$ 3,165,000
G.O. Promissory Notes Payable - Series 2013A	06/20/13	04/01/19	2.00%	4,020,000	-
G.O. Promissory Notes Payable - Series 2013B	06/20/13	04/01/23	2.00%	2,900,000	1,235,000
G.O. Promissory Notes Payable - Series 2014	09/08/14	04/01/24	2.00%-3.00%	9,220,000	2,985,000
G.O. Refunding Bonds, Series 2015	04/08/15	09/01/34	2.65%-4.00%	25,335,000	24,810,000
State Trust Fund Loan - 8/31/2017	08/31/17	03/15/22	3.00%	5,000,000	3,140,808
G.O. Corporate Purpose Bonds, Series 2017	11/21/17	04/01/37	2.00%-5.00%	85,000,000	64,275,000
G.O. Corporate Purpose Bonds, Series 2018	11/19/18	04/01/38	3.25%-5.00%	80,000,000	75,225,000
State Trust Fund Loan - 8/29/2018	08/29/18	03/15/23	4.00%	5,000,000	4,500,000
Total General Obligation Debt					$ 179,335,808

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2019 were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 9,385,000	$ 6,863,973	$ 16,248,973
2021	11,295,000	6,080,600	17,375,600
2022	9,335,808	6,126,632	15,462,440
2023	8,945,000	5,716,626	14,661,626
2024	7,855,000	5,356,626	13,211,626
2025-2029	44,365,000	21,392,393	65,757,393
2030-2034	53,140,000	12,710,680	65,850,680
2035-2039	35,015,000	3,132,775	38,147,775
Total	$ 179,335,808	$ 67,380,305	$ 246,716,113

Total interest on long-term debt paid during the year was $5,170,311.

Legal Debt Limit

The 2018 equalized valuation of the District as certified by the Wisconsin Department of Revenue is $4,451,432,045. The legal debt limit and margin of indebtedness as of June 30, 2019, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of $4,451,432,045)	$ 445,143,205
Deduct Long-Term Debt Applicable to Debt Margin	(179,335,808)
Margin of Indebtedness	$ 265,807,397

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit 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. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The standalone Comprehensive Annual Financial Report (CAFR) 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. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Employees may retire at age 55 (50 for protective occupation employees) and receive an actuarially-reduced benefit. Employees terminating covered employment before becoming eligible for a retirement benefit may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Defined Benefit Plan (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting 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 District's reporting period July 1, 2018 through June 30, 2019, the WRS recognized $1,574,917 in contributions from the employer.

Contribution rates as of June 30, 2019 are:

	Employee	Employer
General (including Teachers, Executives, and Elected Officials)	6.7 %	6.7 %
Protective with Social Security	6.7	10.7
Protective without Social Security	6.7	14.9

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6 %	- %
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2019, the District reported a liability of $8,898,134 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.25011012%, which was an increase of 0.00003842% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $6,005,057.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 6,930,299	$ (12,250,276)
Changes of Assumptions	1,499,900	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,995,114	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	21,781	(21,175)
District Contributions Subsequent to the Measurement Date	1,574,917	-
Total	$ 23,022,011	$ (12,271,451)

$1,574,917 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Inflows and Outflows of Resources
2020	$ 3,324,411
2021	838,342
2022	1,452,942
2023	3,559,948
2024	-
Thereafter	-

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	7.00%
Discount Rate	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	WRS 2018 Maturity Table
Post-Retirement Adjustments*	1.90%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

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

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:

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

Core Fund Asset Class	Asset Allocation %	Expected Nominal Rate of Return %	Expected Real Rate of Return %
Global Equities	49.00%	8.10%	5.50%
Fixed Income	24.50%	4.00%	1.50%
Inflation Sensitive Assets	15.50%	3.80%	1.30%
Real Estate	9.00%	6.50%	3.90%
Private Equity/Debt	8.00%	9.40%	6.70%
Multi-Asset	4.00%	6.70%	4.10%
Total Core Fund	110.00%	7.30%	4.70%
Variable Fund Asset Class			
U.S. Equities	70.00%	7.60%	5.00%
International Equities	30.00%	8.50%	5.90%
Total Variable Funds	100.00%	8.00%	5.40%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's Proportionate Share of Net Pension Liability (Asset)	$ 35,362,116	$ 8,898,134	$ (10,779,889)

Pension Plan Fiduciary Net Position

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

NOTE 8 SUPPLEMENTAL PENSION PLAN

The District provides a single-employer defined benefit supplemental pension benefit to eligible administrators, teachers, and non-union support staff that is administered as a trust.

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the agreement covering administrators, and the agreement covering non-union support personnel, the District provides supplemental retirement benefits to these employees who elect early retirement. Nonunion support personnel may choose either the supplemental pension benefit or the other postemployment benefits described in Note 9, but not both. The actuarial valuation assumes that 100% will choose the supplemental pension benefit. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the district. For teachers, the benefit is equal to 20% of the employee's final salary rate for five years. For administrators, the benefit is equal to 25% of the employee's final salary rate for seven years, to be paid out over five years, or until the employee qualifies for Medicare benefits, whichever comes first. For nonunion support staff, the benefit is equal to 20% of the employee's final salary rate for seven years or until the employee qualifies for Medicare benefits, whichever comes first.

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2019 and 2018, the plan has no legally-required reserves or designations, other than the net position of $9,754,193 and $9,998,656, respectively.

As of July 1, 2018, (the date of the most recent actuarial valuation), the District had 77 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 222 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a net supplemental pension liability of $1,567,827. The net supplemental pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. For the year ended June 30, 2019, the District recognized pension expense of $598,734.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 110,366	$ -
Changes of Assumptions	79,554	336,440
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	293,159
Total	$ 189,920	$ 629,599

Such amounts will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Inflows and Outflows of Resources
2020	$ (136,140)
2021	20,298
2022	(86,148)
2023	(168,029)
2024	(23,994)
Thereafter	(45,666)

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total supplemental pension liability in the July 1, 2018, actuarial valuation, rolled forward to June 30, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2019
Measurement Date of Net Pension Liability (Asset)	June 30, 2019
Actuarial Cost Method	Entry age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	4.00%
Discount Rate	4.00%
Salary Increases	3.00%
Mortality	WRS 2015-17 Experienced Mortality Rates Rates - Healthy Lives Table
Termination	WRS 2015-17 Public School Withdrawal Experience Table

Actuarial assumptions are based upon WRS 2015-2017 Experience Retirement Rates.

Changes in Net Supplemental Pension Liability

	Total Pension Liability (a)	Change in Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	$ 12,232,432	$ 9,998,656	$ 2,233,776
Changes for the year:			
Service Cost	483,754	-	483,754
Interest on Total OPEB Liability	481,836	-	481,836
Change in benefit terms	(214,790)	-	(214,790)
Differences between expected and actual experience	71,851		71,851
Changes in assumptions	(392,513)	-	(392,513)
Benefit Payments	(1,340,550)	(1,340,550)	-
Net Investment Income	-	1,116,792	(1,116,792)
Administrative Expenses	-	(20,705)	20,705
Balances at 6/30/19	$ 11,322,020	$ 9,754,193	$ 1,567,827

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 4.00% 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 4.00%. This expected rate of return was based on a high quality municipal bond rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments 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 District's Net Supplemental Pension Liability to Changes in the Discount Rate

The following presents the District's net supplemental pension liability calculated using the discount rate of 4.00%, as well as what the district's net supplemental pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
District's Proportionate Share of Net Pension Liability (Asset)	$ 2,196,526	$ 1,567,827	$ 967,145

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN

The District maintains a single-employer defined benefit OPEB plan that is administered as a trust. The district accounts for OPEB under GASB #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the Verona Area Educational Support Personnel Association, Nonunion Support Personnel, and the agreement covering administrators, the District provides other postemployment benefits (including medical insurance, dental insurance, and or long-term care coverage) to these employees who elect early retirement. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. The amount of the benefit is broken down into tiers, with tier eligibility being determined by years of service with the district, age, hire date, and retirement date.

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The district has pre-funded the plan. At June 30, 2019 and 2018, the plan has no legally-required reserves or designations, other than the net position of $20,112,442 and $20,209,216, respectively.

As of June 30, 2019, (the date of the most recent actuarial valuation), the District had 61 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 676 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Investments

The District maintains a policy over the Employee Benefit Trust Fund with the primary objectives as follows:

- Return – Obtain a reasonable long-term return consistent with the level of risk assumed. Specific return objectives may include fund performance that exceeds the rate of inflation, the assumed discount rate, and/or the total fund policy return which is typically defined as a return of a passively managed benchmark comprised of the annual portfolio weights for each asset class.
- Cost – Seek to control the cost of funding the Employee Benefit Trust Fund within prudent levels of risk through the investment of Trust assets.
- Diversification – Provide diversification of assets in an effort to avoid the risk of large losses and maximize the investment return to the Employee Benefit Trust Fund consistent with market and economic risk.
- Safety – Preservation of principal by avoiding overly risky alternatives that may provide additional investment return but subject the portfolio to above market risk of large losses.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Investments (Continued)

As of June 30, 2019, the District's policy does not define asset allocation with defined target allocations.

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense was 2.44%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a net OPEB asset of $5,757,915. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2019. For the year ended June 30, 2019, the District recognized OPEB expense of ($36,450).

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 3,772,967
Changes of Assumptions	211,200	400,691
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	947,485
Total	$ 211,200	$ 5,121,143

Such amounts will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Inflows and Outflows of Resources
2020	$ (810,585)
2021	(810,585)
2022	(810,585)
2023	(810,585)
2024	(573,714)
Thereafter	(1,093,889)

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 3.86% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.00%. This expected rate of return was based on a high quality municipal bond rate of 3.13%. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2019
Measurement Date of Net OPEB Asset	June 30, 2019
Actuarial Cost Method	Entry age Normal Percent of Salary Funding
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	4.00%
Discount Rate	3.86%
Salary Increases	3.00%
Medical Care Cost Trend	Medical care trend rate, using Getzen Model, of 7.18% in FY20, decreasing to 4.29 in FY47
Mortality	WRS 2009-11 Experienced Mortality Rates - Healthy Lives Table
Termination	WRS 2009-11 Public School Withdrawal Experience Table

Sources of changes in Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Change in Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances at 6/30/18	$ 17,886,576	$ 20,209,216	$ (2,322,640)
Changes for the year:			
Service Cost	864,836	-	864,836
Interest on Total OPEB Liability	710,352	-	710,352
Effect of Plan Changes	-	-	-
Differences between expected and actual experience	(3,300,139)		(3,300,139)
Changes in assumptions	238,277	-	238,277
Benefit Payments	(1,681,396)	(1,681,396)	-
Net Investment Income	-	1,985,409	(1,985,409)
Administrative Expenses	-	(36,808)	36,808
Balances at 6/30/19	$ 14,718,506	$ 20,476,421	$ (5,757,915)

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Sensitivity of the District's Net OPEB asset to Changes in the Discount Rate and Health Care Trend Rate

The following presents the net OPEB asset of the district calculated using the discount rate of 3.86%, as well as what the district's net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower (2.86%) or one percentage-point higher (4.86%) than the current rate:

	1% Decrease to Discount Rate (2.86%)	Current Discount Rate (3.86%)	1% Increase to Discount Rate (4.86%)
Net OPEB (Asset) Liability	$ (5,475,087)	$ (5,757,915)	$ (6,072,616)

The following presents the net OPEB asset of the District calculated using the healthcare trend rate of 7.18% decreasing to 4.29%, as well as what the District's net OPEB asset would be if it were calculated using a healthcare trend rate that is one percentage-point lower (6.18% decreasing to 4.29%) or one percentage-point higher (8.18% decreasing to 5.29%) than the current rate:

	1% Decrease to Healthcare Trend Rate (6.18% Decreasing to 3.29%)	Current Healthcare Trend Rate (7.18% Decreasing to 4.29%)	1% Increase to Healthcare Trend Rate (8.18% Decreasing to 5.29%)
Net OPEB (Asset) Liability	$ (5,845,112)	$ (5,757,915)	$ (5,738,504)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND

Plan Description

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

LRLIF Plan Fiduciary Net Position

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

Benefits Provided

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)

Contributions

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

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

Contribution rates as of June 30, 2019 are:

Coverage Type	Employer Contribution
50% Post-Retirement Coverage	40% of Employee Contribution
25% Post-Retirement Coverage	20% of Employee Contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance
Employee Contribution Rates
for the Year Ended December 31, 2018

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

During the year ending June 30, 2019, contributions to the LRIF from the District were not material to these financial statements.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)

LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF

At June 30, 2019, the District reported a liability of $1,201,248 for its proportionate share of the net LRLIF liability. The net LRLIF liability was measured as of December 31, 2018, and the total LRLIF liability used to calculate the net LRLIF liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net LRLIF liability was based on the District's share of contributions to the LRLIF plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.46553900%, which was an increase of 0.02643000% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized LRLIF expense of $121,724.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 60,938
Changes of Assumptions	114,618	260,383
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,708	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	61,962	42,525
Employer Contributions Subsequent to the Measurement Date	-	-
Total	$ 205,288	$ 363,846

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)

LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF (Continued)

Year Ended June 30,	Net Deferred Inflows and Outflows of Resources
2020	$ (21,256)
2021	(21,256)
2022	(21,256)
2023	(25,287)
2024	(29,440)
Thereafter	(40,063)

Actuarial assumptions

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

Actuarial Valuation Date	January 1, 2018
Measurement Date of Net LRLIF Liability	December 31, 2018
Actuarial Cost Method	Entry age Normal
20-Year Tax-Exemt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate	4.22%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. The target allocation and best estimates of arithmetic real rates of return as of the December 31, 2018 measurement date for each major asset class are summarized in the following table:

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Government Bonds	Barclays Government	1.00%	1.44%
U.S. Credit Bonds	Barclays Credit	40.00%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4.00%	3.01%
U.S. Mortgages	Barclays MBS	54.00%	2.25%
U.S. Municipal Bonds	Bloomberg Barclays Muni	1.00%	1.68%
Inflation			2.30%
Long-Term Expected Rates of Return			5.00%

Single Discount Rate

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net LRLIF Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net LRLIF liability calculated using the discount rate of 4.22%, as well as what the District's proportionate share of the net LRLIF liability would be if it were calculated using a discount rate that is one percentage point lower (3.22%) or one percentage point higher (5.22%) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
District's Proportionate Share of Net LRLIF Liability	$ 1,708,854	$ 1,201,248	$ 809,745

LRLIF Plan Fiduciary Net Position

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

NOTE 11 FUND BALANCE AND NET POSITION

The Governmental Accounting Standards Board (GASB) has issued 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 following fund balance categories:

Nonspendable - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This includes items such as inventories, prepaid amounts, the long-term amount of loans and notes receivable, property held for resale (unless the proceeds are restricted, committed, or assigned), and the corpus of a permanent fund.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by constitution provisions, external resource providers, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by formal action of the Board of Education (the District's highest level of decision-making authority).

Assigned - Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

NOTE 11 FUND BALANCE AND NET POSITION (CONTINUED)

Unassigned - The residual classification for the general fund. Includes all funds that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes. In addition, any deficit fund balance is reported as unassigned.

The District's policy on fund balance is for the District to: (1) strive to build and maintain a General Fund balance equivalent to at least 10%, but not greater than 35%, of the General Fund budget for the subsequent year and (2) strive to establish operating budgets that will add sufficient funds each year to attain those levels in the General Fund balance. In addition, the District shall strive to maintain a minimum fund balance in their self-funded dental insurance plan of 10% of premium costs. As such, the nonspendable portion of the general fund balance has been classified as assigned. The entire fund balance of the Community Service Fund has been assigned for use related to the District's natatorium.

The District will generally use restricted amounts before unrestricted amounts when doing so does not result in loss of general state aid.

The District's fund balance categories are presented in the Governmental Fund Balance Sheet.

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

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Land	$ 13,941,655	$ -
Construction in progress	103,837,524	-
Other capital assets, net of accumulated depreciation	45,167,621	80,661
	162,946,800	80,661
Less: related long-term debt outstanding	(151,540,808)	-
Less: unamortized premium	(6,386,986)	-
Add: Unspent bond proceeds	79,289,657	-
Total net investment in capital assets	84,308,663	80,661
Restricted for:		
Debt service	3,607,566	-
Special projects	555,876	-
Food service	-	88,789
Employee benefits	-	97,110
Capital expansion	672,360	-
Total restricted	4,835,802	185,899
Unrestricted	(17,967,207)	-
Total net position	$ 71,177,258	$ 266,560

NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES

Encumbrances Outstanding

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recognized by the District as a reservation of fund balance. As of June 30, 2019, there are no material encumbrances outstanding.

The District has entered into various contracts totaling approximately $157,000,000 related to building a new high school, which is expected to be completed by the summer of 2020. As of June 30, 2019, $106,701,521 has been expended towards these contracts.

NOTE 13 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and special revenue funds. The statutes do not require a limit at which expenditures may not legally exceed appropriations. Any appropriations lapse at year end.

NOTE 14 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

Under 2011 Wisconsin Act 32, the District adopted a resolution and was granted authority to increase its revenue limit by the amount spent on a project to implement energy efficiency measures or to purchase energy efficiency projects, including the payment of debt service on bond or notes issued to finance the project.

NOTE 15 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2019:

Fund	Excess Expenditures
General Fund:	
Instruction	$ 54,098
Special Education Fund:	
Nonprogram	163,814

NOTE 16 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 17 PRIOR PERIOD ADJUSTMENT

The District restated the beginning of the year fund balance of the debt service fund to recognize the premium on bonds issued during fiscal year 2018 that had been reported as other current liabilities. As a result, the beginning fund balance, as of July 1, 2018, has been adjusted from $1,127,643 to $4,165,602, an increase of $3,037,959.

NOTE 18 SUBSEQUENT EVENTS

On October 11, 2019, the District issued $10,495,000 through the PMA Levy & Aid Anticipation Notes (PLAAN) Program. Principal and interest will be made in full on October 23, 2020 and bear interest at a rate of 3.00%.

On August 30, 2019, the District issued $6,280,000 in State Trust Fund Loans. Principal and interest payments will be made annually on March 15, 2020 continuing through March 15, 2024 and bear interest at a rate of 3.75%.

REQUIRED SUPPLEMENTARY INFORMATION

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local Sources:				
Property Taxes	$ 40,760,417	$ 40,760,417	$ 40,760,417	$ -
Other Local Sources	176,731	176,731	730,570	553,839
Interdistrict Sources	1,170,754	1,170,754	1,325,486	154,732
State Sources	23,381,833	23,381,833	23,455,034	73,201
Federal Sources	901,822	901,822	1,106,324	204,502
Other Sources	69,534	69,534	657,368	587,834
Total Revenues	66,461,091	66,461,091	68,035,199	1,574,108
EXPENDITURES				
Instruction:				
Regular Curriculum	27,025,395	27,025,395	26,999,583	25,812
Vocational Curriculum	1,519,617	1,519,617	1,519,375	242
Co-Curricular Activities	548,352	548,352	663,839	(115,487)
Special Instruction	3,050,661	3,050,661	3,008,349	42,312
Physical Curriculum	1,481,751	1,481,751	1,488,728	(6,977)
Total Instruction	33,625,776	33,625,776	33,679,874	(54,098)
Support Services:				
Pupil Services	1,773,796	1,773,796	1,818,897	(45,101)
Instructional Staff Services	3,120,487	3,120,487	3,054,013	66,474
General Administration	1,636,229	1,636,229	1,938,022	(301,793)
School Administration	3,732,514	3,732,514	3,804,605	(72,091)
Business Administration	1,435,465	1,435,465	1,393,911	41,554
Operations and Maintenance of Plant	5,106,035	5,106,035	4,536,065	569,970
Pupil Transportation	2,360,342	2,360,342	2,210,328	150,014
Central Services	416,738	416,738	407,448	9,290
Insurance	465,741	465,741	432,295	33,446
Other Support Services	622,670	622,670	76,820	545,850
Total Support Services	20,670,017	20,670,017	19,672,404	997,613
Nonprogram	1,609,923	1,609,923	1,339,647	270,276
Debt Service:				
Interest	415,943	415,943	344,413	71,530
Total Debt Service	415,943	415,943	344,413	71,530
Total Expenditures	56,321,659	56,321,659	55,036,338	1,285,321
EXCESS OF REVENUES OVER EXPENDITURES	10,139,432	10,139,432	12,998,861	2,859,429
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	(10,169,432)	(10,169,432)	(9,742,379)	427,053
Total Other Financing Sources (Uses)	(10,169,432)	(10,169,432)	(9,742,379)	427,053
NET CHANGE IN FUND BALANCE	(30,000)	(30,000)	3,256,482	3,286,482
Fund Balance - Beginning of Year	10,095,784	10,095,784	10,095,784	-
FUND BALANCE - END OF YEAR	$ 10,065,784	$ 10,065,784	$ 13,352,266	$ 3,286,482

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
State Sources	$ 2,444,919	$ 2,444,919	$ 2,448,050	$ 3,131
Federal Sources	998,954	998,954	1,298,160	299,206
Total Revenues	3,443,873	3,443,873	3,746,210	302,337
EXPENDITURES				
Instruction:				
Regular Curriculum	39,315	39,315	38,420	895
Special Instruction	7,550,049	7,550,049	7,324,952	225,097
Total Instruction	7,589,364	7,589,364	7,363,372	225,992
Support Services:				
Pupil Services	1,741,898	1,741,898	1,643,690	98,208
Instructional Staff Services	1,043,270	1,043,270	981,787	61,483
Operations and Maintenance of Plant	1,301	1,301	-	1,301
Pupil Transportation	379,496	379,496	446,761	(67,265)
Business Services	46,295	46,295	58,720	(12,425)
Central Services	107	107	-	107
Other Support Services	-	-	18,871	(18,871)
Total Support Services	3,212,367	3,212,367	3,149,829	62,538
Nonprogram	35,869	35,869	199,683	(163,814)
Total Expenditures	10,837,600	10,837,600	10,712,884	124,716
DEFICIENCY OF REVENUES OVER EXPENDITURES	(7,393,727)	(7,393,727)	(6,966,674)	427,053
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	7,393,727	7,393,727	6,966,674	(427,053)
Total Other Financing Sources (Uses)	7,393,727	7,393,727	6,966,674	(427,053)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,	2014	2015	2016	2017	2018
District's proportion of the net pension liability (asset)	0.25150271%	0.24970597%	0.24936066%	0.25007170%	0.25011012%
District's proportionate share of the net pension liability (asset)	$ (6,177,595)	$ 4,057,674	$ 2,055,327	$ (7,424,925)	$ 8,898,134
District's covered payroll	$ 34,790,332	$ 35,396,734	$ 36,135,268	$ 37,185,567	$ 38,323,393
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.76%	11.46%	5.69%	19.97%	23.22%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM NET PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: June 30,	2015	2016	2017	2018	2019
District's contractually required contribution	$ 2,435,430	$ 2,407,339	$ 2,388,444	$ 2,531,293	$ 2,576,677
District's contributions in relation to the contractually required contributions	(2,435,430)	(2,407,339)	(2,388,444)	(2,531,293)	(2,576,677)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 34,790,332	$ 35,396,734	$ 36,135,268	$ 37,185,567	$ 38,371,552
District's Contributions as a Percentage of Covered Payroll	6.88%	6.80%	6.61%	6.81%	6.72%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2015	2016	2017	2018	2019
District's actuarially determined contributions	$ 1,412,208	$ 620,588	$ 645,412	$ 558,014	$ 632,284
District contributions in relation to the actuarially determined contributions	14,308,236	-	-	-	-
Contribution deficiency (excess)	(12,896,028)	620,588	645,412	558,014	632,284
District's covered-employee payroll	21,339,399	21,030,020	17,667,496	20,401,347	27,229,528
District's contributions as a percentage of covered-employee payroll	67.05%	0.00%	0.00%	0.00%	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	$ 651,616	$ 620,588	$ 645,412	$ 465,148	$ 483,754
Interest on total pension liability	503,901	502,764	486,577	477,735	481,836
Changes in benefit terms	-	-	-	-	(214,790)
Differences between expected and actual experience	554	-	78,574	-	71,851
Changes in assumptions	-	-	129,069	-	(392,513)
Benefit payments	(1,120,257)	(1,245,214)	(1,821,255)	(1,294,945)	(1,340,550)
Net change in total pension liability	35,814	(121,862)	(481,623)	(352,062)	(910,412)
Total pension liability - beginning	13,152,165	13,187,979	13,066,117	12,584,494	12,232,432
Total pension liability - ending	13,187,979	13,066,117	12,584,494	12,232,432	11,322,020
Plan fiduciary net position					
Contributions - employer	14,308,236	-	-	-	-
Net investment income (loss)	-	1,284,962	(41,561)	17,695	1,116,792
Benefit payments	(1,120,257)	(1,245,214)	(1,821,255)	(1,294,945)	(1,340,550)
Administrative expenses	-	(36,234)	(28,299)	(24,472)	(20,705)
Net change in fiduciary net position	13,187,979	3,514	(1,891,115)	(1,301,722)	(244,463)
Plan fiduciary net position - beginning	-	13,187,979	13,191,493	11,300,378	9,998,656
Plan fiduciary net position - ending	13,187,979	13,191,493	11,300,378	9,998,656	9,754,193
Net pension (asset) liability	$ -	$ (125,376)	$ 1,284,116	$ 2,233,776	$ 1,567,827
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.96%	89.80%	81.74%	86.15%
Covered-employee payroll	$ 21,339,399	$ 21,030,020	$ 17,667,496	$ 20,401,347	$ 27,229,528
Net pension (asset) liability as a percentage of covered-employee payroll	0.00%	-0.60%	7.27%	10.95%	5.76%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019
District's actuarially determined contributions	$ 795,916	$ 929,473	$ 864,836
District contributions in relation to the actuarially determined contributions	-	-	-
Contribution deficiency (excess)	795,916	929,473	864,836
District's covered-employee payroll	31,295,246	32,234,103	33,201,126
District's contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019
Total OPEB liability			
Service cost	$ 795,916	$ 929,473	$ 864,836
Interest on total OPEB liability	807,791	720,954	710,352
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(1,154,478)	431,790	(3,300,139)
Changes in assumptions	(545,607)	-	238,277
Benefit payments	(2,699,778)	(2,148,242)	(1,681,396)
Net change in total OPEB liability	(2,796,156)	(66,025)	(3,168,070)
Total OPEB liability - beginning	20,748,757	17,952,601	17,886,576
Total OPEB liability - ending	17,952,601	17,886,576	14,718,506
Plan fiduciary net position			
Contributions - employer	-	-	-
Net investment income (loss)	(76,611)	31,394	1,985,409
Benefit payments	(2,699,778)	(2,148,242)	(1,681,396)
Administrative expenses	(50,526)	(45,382)	(36,808)
Net change in fiduciary net position	(2,826,915)	(2,162,230)	267,205
Plan fiduciary net position - beginning	25,198,361	22,371,446	20,209,216
Plan fiduciary net position - ending	22,371,446	20,209,216	20,476,421
Net pension (asset) liability	$ (4,418,845)	$ (2,322,640)	$ (5,757,915)
Plan fiduciary net position as a percentage of the total OPEB liability	124.61%	112.99%	139.12%
Covered-employee payroll	$ 20,482,131	$ 20,401,347	$ 33,201,126
Net OPEB (asset) liability as a percentage of covered-employee payroll	-21.57%	-11.38%	-17.34%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	-0.08%	0.04%	2.44%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,	2017	2018
District's proportion of the net LRLIF liability (asset)	0.43910900%	0.46553900%
District's proportionate share of the net LRLIF liability (asset)	$ 1,321,095	$ 1,201,248
District's covered-employee payroll	$ 18,465,790	$ 22,137,000
District's proportionate share of the net LRLIF liability (asset) as a percentage of its covered-employee payroll	7.15%	5.43%
Plan fiduciary net position as a percentage of the total LRLIF liability (asset)	44.81%	48.69%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCARAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: June 30,	2018	2019
District's contractually required contribution	$ 8,969	$ -
District's contributions in relation to the contractually required contributions	(8,969)	-
Contribution deficiency (excess)	$ -	$ -
District's Covered-Employee Payroll	$ 18,465,790	$ 38,371,552
District's Contributions as a Percentage of Covered-Employee Payroll	0.05%	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2019

Operating Activity	WUFAR Object Code	Cost
Employee salaries	100	$ 9,735
Employee benefits	200	2,146
		$ 11,881

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

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

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the 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.

Budget amounts in the financial statements include both the original adopted budget and the final budget.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for the general fund is shown in that schedule.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2019

	Special Revenue Fund	Capital Expansion Fund	Community Services Fund	Co-op Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and Investments	$ 113,203	$ 672,360	$ 555,444	$ -	$ 1,341,007
Due from Other Funds	472,874	-	5,590	-	478,464
Due from Employee Benefit Trust Fund	-	-	2,545	-	2,545
Total Assets	$ 586,077	$ 672,360	$ 563,579	$ -	$ 1,822,016
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ -	$ 2,123	$ -	$ 2,123
Accrued Salaries and Related Items	7,327	-	-	-	7,327
Due to Other Funds	22,874	-	393,980	-	416,854
Total Liabilities	30,201	-	396,103	-	426,304
FUND BALANCES					
Restricted for:					
Capital Expansion	-	672,360	-	-	672,360
Special Projects	555,876	-	-	-	555,876
Assigned	-	-	167,476	-	167,476
Total Fund Balances	555,876	672,360	167,476	-	1,395,712
Total Liabilities and Fund Balances	$ 586,077	$ 672,360	$ 563,579	$ -	$ 1,822,016

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2019

	Special Revenue Fund	Capital Expansion Fund	Community Services Fund	Co-op Funds	Total Nonmajor Governmental Funds
REVENUES					
Local Sources:					
Property Taxes	$ -	$ 1,000	$ 495,259	$ -	$ 496,259
Other Local Sources	1,174,120	-	129,485	-	1,303,605
Other Sources	-	15,247	-	-	15,247
Total Revenues	1,174,120	16,247	624,744	-	1,815,111
EXPENDITURES					
Instruction:					
Regular Instruction	589,880	-	-	-	589,880
Vocational Instruction	3,398	-	-	-	3,398
Co-Curricular Activities	220,435	-	-	-	220,435
Support Services:					
Instructional Staff Services	4,859	-	-	-	4,859
General Administration	3,971	-	-	-	3,971
School Administration	7,667	-	157,093	-	164,760
Business Services	70,229	-	-	-	70,229
Operation and Maintenance of Plant	-	-	27,427	-	27,427
Pupil Transportation Services	188,412	-	-	-	188,412
Central Services	-	-	28,449	-	28,449
Community Services	-	-	312,619	-	312,619
Other Support Services	1,970	-	-	-	1,970
Total Expenditures	1,090,821	-	525,588	-	1,616,409
NET CHANGE IN FUND BALANCES	83,299	16,247	99,156	-	198,702
Fund Balances - Beginning of Year	472,577	656,113	68,320	-	1,197,010
FUND BALANCES - END OF YEAR	$ 555,876	$ 672,360	$ 167,476	$ -	$ 1,395,712

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	$ 218,683	$ 301,852	$ (293,424)	$ 227,111
Total assets	$ 218,683	$ 301,852	$ (293,424)	$ 227,111
Liabilities				
Due to student groups	$ 218,683	$ 301,852	$ (293,424)	$ 227,111
Total liabilities	$ 218,683	$ 301,852	$ (293,424)	$ 227,111

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
ANALYSIS OF LOCAL LEVY
JUNE 30, 2019

	2017 Taxes Receivable July 1, 2018	Total 2018 Levy	Collections	2018 Taxes Receivable June 30, 2019
City of Fitchburg	$ 4,078,999	$ 13,969,057	$ (14,060,317)	$ 3,987,739
City of Verona	11,741,132	34,883,493	(33,504,394)	13,120,231
Town of Verona	987,200	4,167,413	(3,964,162)	1,190,451
City of Madison	321,683	2,129,092	(2,084,120)	366,655
Town of Springdale	296,763	1,205,419	(1,149,972)	352,210
Town of Montrose	72,945	307,448	(294,461)	85,932
Town of Middleton	28,419	182,862	(160,537)	50,744
Total	$ 17,527,141	$ 56,844,784	$ (55,217,963)	$ 19,153,962