

Wrightstown Community School District  
Wrightstown, Wisconsin

**ANNUAL FINANCIAL REPORT**

June 30, 2018

# Wrightstown Community School District

## Wrightstown, Wisconsin

JUNE 30, 2018

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# Wrightstown Community School District

## Wrightstown, Wisconsin

JUNE 30, 2018

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### **ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS**

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## Independent auditors' report

To the Board of Education  
Wrightstown Community School District  
Wrightstown, Wisconsin

### **REPORT ON THE FINANCIAL STATEMENTS**

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

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

### **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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **CHANGE IN ACCOUNTING PRINCIPLE**

As discussed in Note 2.F to the financial statements, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 37 through 42 be presented to supplement the basic financial statements. Such information, although not 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 opinions on the basic financial statements are not affected by this missing 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state awards are presented for purposes of additional analysis, as required by the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction, and are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **REPORT ON SUMMARIZED FINANCIAL INFORMATION**

We have previously audited the District's 2017 financial statements, and our report dated November 16, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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.



Certified Public Accountants

Green Bay, Wisconsin  
November 30, 2018

## BASIC FINANCIAL STATEMENTS

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# Wrightstown Community School District

## Wrightstown, Wisconsin

### STATEMENT OF NET POSITION

JUNE 30, 2018

WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2017

	Governmental Activities	
	2018	2017
<b>ASSETS</b>		
Cash and investments	\$ 5,495,866	\$ 7,621,059
Receivables		
Taxes	1,425,298	1,560,518
Accounts	4,768	12,646
Due from other governments	188,858	300,983
Net pension asset	1,380,078	-
Capital assets		
Nondepreciable	297,800	672,921
Depreciable	15,269,014	12,681,767
Total assets	<u>24,061,682</u>	<u>22,849,894</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related amounts	2,316,809	2,694,512
Other postemployment related amounts	188,405	-
Total deferred outflows of resources	<u>2,505,214</u>	<u>2,694,512</u>
<b>LIABILITIES</b>		
Accounts payable	186,007	478,731
Accrued and other current liabilities	67,453	59,604
Accrued interest payable	14,193	22,056
Due to other governments	11,692	26,765
Long-term obligations		
Due in one year	820,000	830,000
Due in more than one year	2,220,508	3,045,827
Other postemployment benefits liability	1,360,455	153,435
Pension liability	161,463	538,285
Total liabilities	<u>4,841,771</u>	<u>5,154,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related amounts	2,739,751	1,171,995
Other postemployment related amounts	2,727	-
Total deferred inflows of resources	<u>2,742,478</u>	<u>1,171,995</u>
<b>NET POSITION</b>		
Net investment in capital assets	12,596,814	12,740,580
Restricted	1,198,056	3,268,620
Unrestricted	5,187,777	3,208,508
Total net position	<u>\$ 18,982,647</u>	<u>\$ 19,217,708</u>

The notes to the basic financial statements are an integral part of this statement.



# Wrightstown Community School District

## Wrightstown, Wisconsin

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2018	2017
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 8,277,509	\$ 524,932	\$ 604,165	\$ (7,148,412)	\$ (7,260,708)
Support services	5,834,522	417,859	407,649	(5,009,014)	(5,041,206)
Community services	45,358	36,015	-	(9,343)	-
Non-program	616,023	-	33,135	(582,888)	(427,039)
Interest and fiscal charges	58,304	-	-	(58,304)	(18,165)
Depreciation - unallocated	395,167	-	-	(395,167)	(399,727)
<b>Total governmental activities</b>	<b><u>\$ 15,226,883</u></b>	<b><u>\$ 978,806</u></b>	<b><u>\$ 1,044,949</u></b>	<b><u>(13,203,128)</u></b>	<b><u>(13,146,845)</u></b>
General revenues					
Property taxes				5,584,116	6,065,308
Other taxes				4,279	5,641
State and federal aids not restricted to specific functions				8,333,722	7,706,428
Interest and investment earnings				70,123	27,057
Miscellaneous				41,456	112,628
Total general revenues				<u>14,033,696</u>	<u>13,917,062</u>
<b>Change in net position</b>				<b><u>830,568</u></b>	<b><u>770,217</u></b>
<b>Net position - July 1, as originally reported</b>				<b>19,217,708</b>	<b>18,447,491</b>
<b>Cumulative effect of change in accounting principle</b>				<b><u>(1,065,629)</u></b>	<b><u>-</u></b>
<b>Net position - July 1, as restated</b>				<b><u>18,152,079</u></b>	<b><u>18,447,491</u></b>
<b>Net position - June 30</b>				<b><u>\$ 18,982,647</u></b>	<b><u>\$ 19,217,708</u></b>

*The notes to the basic financial statements are an integral part of this statement.*

# Wrightstown Community School District Wrightstown, Wisconsin

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017**

	General	Capital Projects	Other Governmental Funds	Totals	
				2018	2017
<b>ASSETS</b>					
Cash and investments	\$ 4,279,654	\$ 658,163	\$ 558,049	\$ 5,495,866	\$ 7,621,059
Receivables					
Taxes	1,425,298	-	-	1,425,298	1,560,518
Accounts	4,768	-	-	4,768	12,646
Due from other funds	-	-	10,000	10,000	-
Due from other governments	182,103	-	6,755	188,858	300,983
Total assets	<u>\$ 5,891,823</u>	<u>\$ 658,163</u>	<u>\$ 574,804</u>	<u>\$ 7,124,790</u>	<u>\$ 9,495,206</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 165,289	\$ 19,216	\$ 1,502	\$ 186,007	\$ 478,731
Accrued and other current liabilities	67,453	-	-	67,453	59,604
Due to other funds	10,000	-	-	10,000	-
Due to other governments	11,692	-	-	11,692	26,765
Total liabilities	<u>254,434</u>	<u>19,216</u>	<u>1,502</u>	<u>275,152</u>	<u>565,100</u>
Fund balances					
Restricted	-	638,947	573,302	1,212,249	3,290,676
Unassigned	5,637,389	-	-	5,637,389	5,639,430
Total fund balances	<u>5,637,389</u>	<u>638,947</u>	<u>573,302</u>	<u>6,849,638</u>	<u>8,930,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,891,823</u>	<u>\$ 658,163</u>	<u>\$ 574,804</u>	<u>\$ 7,124,790</u>	<u>\$ 9,495,206</u>

*The notes to the basic financial statements are an integral part of this statement.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

#### WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 6,849,638	\$ 8,930,106
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	15,566,814	13,354,688
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	2,316,809	2,694,512
Deferred inflows related to pensions	(2,739,751)	(1,171,995)
Deferred outflows related to other postemployment benefits	188,405	-
Deferred inflows related to other postemployment benefits	(2,727)	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable	(2,970,000)	(3,800,000)
Compensated absences	(70,508)	(75,827)
Other postemployment benefits liability	(1,360,455)	(153,435)
Supplemental pension liability	(161,463)	(165,621)
WRS net pension asset (liability)	1,380,078	(372,664)
Accrued interest on long-term obligations	(14,193)	(22,056)
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 18,982,647</u>	<u>\$ 19,217,708</u>

*The notes to the basic financial statements are an integral part of this statement.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

	General	Capital Projects	Other Governmental Funds	Totals	
				2018	2017
<b>REVENUES</b>					
Property taxes	\$ 4,234,116	\$ -	\$ 1,350,000	\$ 5,584,116	\$ 6,065,308
Other local sources	126,218	20,537	432,885	579,640	516,990
Interdistrict sources	466,508	-	-	466,508	518,433
Intermediate sources	485	-	-	485	500
State sources	8,749,998	-	6,863	8,756,861	8,110,722
Federal sources	381,719	-	222,180	603,899	611,857
Other sources	29,927	-	36,015	65,942	107,557
<b>Total revenues</b>	<b>13,988,971</b>	<b>20,537</b>	<b>2,047,943</b>	<b>16,057,451</b>	<b>15,931,367</b>
<b>EXPENDITURES</b>					
Instruction					
Regular instruction	5,513,000	-	-	5,513,000	5,498,746
Vocational instruction	686,098	-	-	686,098	668,877
Special education instruction	989,530	-	-	989,530	980,200
Other instruction	903,320	-	1,200	904,520	901,738
<b>Total instruction</b>	<b>8,091,948</b>	<b>-</b>	<b>1,200</b>	<b>8,093,148</b>	<b>8,049,561</b>
Support services					
Pupil services	557,997	-	-	557,997	557,525
Instructional staff services	661,954	-	-	661,954	650,258
General administration services	406,632	-	-	406,632	378,379
School administration services	580,851	-	-	580,851	565,245
Business services	286,106	-	-	286,106	265,983
Operations and maintenance of plant	1,383,309	2,567,482	-	3,950,791	2,336,117
Pupil transportation services	560,196	-	-	560,196	552,610
Food services	-	-	644,552	644,552	631,431
Central services	631,225	-	-	631,225	617,386
Insurance	104,131	-	-	104,131	112,245
Other support services	100,635	-	-	100,635	106,538
<b>Total support services</b>	<b>5,273,036</b>	<b>2,567,482</b>	<b>644,552</b>	<b>8,485,070</b>	<b>6,773,717</b>
Debt service					
Principal	-	-	830,000	830,000	1,440,000
Interest and fiscal charges	-	-	66,167	66,167	29,254
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>896,167</b>	<b>896,167</b>	<b>1,469,254</b>
Community service	-	-	47,511	47,511	-
Non-program					
General tuition payments	445,741	-	-	445,741	391,848
Special education tuition payments	112,014	-	-	112,014	96,463
Adjustments and refunds	18,680	-	-	18,680	-
Voucher payments	39,588	-	-	39,588	30,584
<b>Total non-program</b>	<b>616,023</b>	<b>-</b>	<b>-</b>	<b>616,023</b>	<b>518,895</b>
<b>Total expenditures</b>	<b>13,981,007</b>	<b>2,567,482</b>	<b>1,589,430</b>	<b>18,137,919</b>	<b>16,811,427</b>
<b>Excess of revenues over (under) expenditures</b>	<b>7,964</b>	<b>(2,546,945)</b>	<b>458,513</b>	<b>(2,080,468)</b>	<b>(880,060)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	3,800,000
Transfers in	-	-	10,005	10,005	-
Transfers out	(10,005)	-	-	(10,005)	-
<b>Total other financing sources (uses)</b>	<b>(10,005)</b>	<b>-</b>	<b>10,005</b>	<b>-</b>	<b>3,800,000</b>
<b>Net change in fund balances</b>	<b>(2,041)</b>	<b>(2,546,945)</b>	<b>468,518</b>	<b>(2,080,468)</b>	<b>2,919,940</b>
<b>Fund balances - July 1</b>	<b>5,639,430</b>	<b>3,185,892</b>	<b>104,784</b>	<b>8,930,106</b>	<b>6,010,166</b>
<b>Fund balances - June 30</b>	<b>\$ 5,637,389</b>	<b>\$ 638,947</b>	<b>\$ 573,302</b>	<b>\$ 6,849,638</b>	<b>\$ 8,930,106</b>

The notes to the basic financial statements are an integral part of this statement.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balances as shown on previous page	\$ (2,080,468)	\$ 2,919,940
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.		
Capital assets reported as capital outlay reported in governmental fund statements	2,728,745	1,090,353
Depreciation expense reported in the statement of activities	(506,544)	(464,400)
Net book value of disposals	(10,075)	-
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	-	(3,800,000)
Principal repaid	830,000	1,440,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	7,863	(12,456)
Amortization of premiums, discounts and loss on advance refunding	-	23,545
Compensated absences	5,319	799
WRS net pension liability (asset)	1,752,742	352,993
Supplemental pension liability	4,158	(17,899)
Deferred outflows of resources related to supplemental pension	(15,800)	15,800
Deferred inflows of resources related to supplemental pension	(6,053)	-
Deferred outflows of resources related to pensions	(361,903)	(451,258)
Deferred inflows of resources related to pensions	(1,561,703)	(379,737)
Other postemployment benefits liability	22,897	52,537
Deferred outflows of resources related to other postemployment benefits	24,117	-
Deferred inflows of resources related to other postemployment benefits	(2,727)	-
Change in net position of governmental activities as reported in the statement of activities (see page 5)	<u>\$ 830,568</u>	<u>\$ 770,217</u>

*The notes to the basic financial statements are an integral part of this statement.*

# Wrightstown Community School District Wrightstown, Wisconsin

## STATEMENT OF NET POSITION

### FIDUCIARY FUNDS

JUNE 30, 2018

WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2017

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	<u>Pupil Activity Agency Fund</u>	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and investments	<u>\$ 248,727</u>	<u>\$ 212,669</u>
<b>LIABILITIES</b>		
Due to student organizations	<u>\$ 248,727</u>	<u>\$ 212,669</u>

*The notes to the basic financial statements are an integral part of this statement.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. REPORTING ENTITY

The District is organized as a common school district. The District, governed by an elected seven member board, operates grades 4K through 12 and is comprised of all or parts of nine taxing districts. In accordance with GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

##### B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. The District has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

##### General Fund

This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

##### Capital Projects Fund

This fund accounts for the resources to be used for the acquisition and construction of major capital facilities.

Additionally, the District reports the following fund types:

- ▶ The District accounts for assets held as an agent for various student and parent organizations in an *agency fund*.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The district-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

#### D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

##### 1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

##### 2. Property Taxes

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes must be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20<sup>th</sup> of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.



# Wrightstown Community School District

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### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

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Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

**3. Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

**4. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

**5. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$10,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities Years
Site improvements	20
Buildings	20-50
Furniture and equipment	5-20

**6. Compensated Absences**

It is the District's policy allows employees to carry over sick leave payable to the employee if certain eligibility requirements are met. Sick leave is capped at 60 days, and is a paid upon retirement at \$35 per day. Employees must meet the District's supplemental pension eligibility requirements, which is age 62 with 30 years of experience, including at least 15 years with the District. A liability for sick leave payable to the employees is accrued when incurred in the government-wide financial statements.

**7. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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#### 8. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 9. Pensions

##### *Wisconsin Retirement System*

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.

##### *Supplemental Pension Plan*

Qualifying professional staff are provided with a supplemental pension. The supplemental pension is a single employer defined benefit plan administered by the District. For purposes of measuring the supplemental pension liability, related deferred outflows and inflows and pension expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

#### 10. Other Postemployment Benefits Other Than Pensions (OPEB)

The District provides health care insurance coverage for employees who retire until they reach the age of 65. Eligible retired employees have access to group medical coverage through the District's group plans. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

##### *Local Retiree Life Insurance Fund*

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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#### 11. Fund Equity

##### *Governmental Fund Financial Statements*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

##### *District-wide Statements*

Equity is classified as net position and displayed in three components:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

#### E. USE OF ESTIMATES

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

#### F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the District's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

# Wrightstown Community School District

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### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2018

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#### G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

#### NOTE 2: DETAILED NOTES ON ALL FUNDS

##### A. CASH AND INVESTMENTS

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the agency fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash and investments totaled \$5,744,593 on June 30, 2018 as summarized below:

Deposits with financial institutions	\$ 572,079
Investments	
Wisconsin Investment Series Cooperative	5,172,514
	<u>\$ 5,744,593</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 5,495,866
Fiduciary fund statement of net position	
Agency fund	248,727
	<u>\$ 5,744,593</u>

#### Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District currently has no investments that are subject to fair value measurement.

Deposits and investments of the District are subject to various risks. Presented next is a discussion of the District's deposits and investments and the related risks.

# Wrightstown Community School District

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### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2018, \$237,066 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

#### Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Wisconsin Investment Series Cooperative (WISC)	\$ 5,172,514	\$ -	\$ 5,172,514	\$ -	\$ -

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Investment Series Cooperative	\$ 5,172,514	\$ 5,172,514	\$ -	\$ -	\$ -

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$5,172,514 at year-end, all of which is invested in the Investment Series. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperative Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

#### B. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 297,800	\$ -	\$ -	\$ 297,800
Construction in progress	375,121	-	375,121	-
Total capital assets, nondepreciable	<u>672,921</u>	<u>-</u>	<u>375,121</u>	<u>297,800</u>
Capital assets, depreciable:				
Site improvements	1,684,078	-	2,931	1,681,147
Buildings	19,628,900	2,411,876	-	22,040,776
Furniture and equipment	1,071,333	691,990	446,784	1,316,539
Subtotals	<u>22,384,311</u>	<u>3,103,866</u>	<u>449,715</u>	<u>25,038,462</u>
Less accumulated depreciation for:				
Site improvements	537,782	37,807	375	575,214
Buildings	8,270,285	394,369	-	8,664,654
Furniture and equipment	894,477	74,368	439,265	529,580
Subtotals	<u>9,702,544</u>	<u>506,544</u>	<u>439,640</u>	<u>9,769,448</u>
Total capital assets, depreciable, net	<u>12,681,767</u>	<u>2,597,322</u>	<u>10,075</u>	<u>15,269,014</u>
Governmental activities capital assets, net	<u>\$ 13,354,688</u>	<u>\$ 2,597,322</u>	<u>\$ 385,196</u>	15,566,814
Less: Capital related debt				<u>2,970,000</u>
Net investment in capital assets				<u>\$ 12,596,814</u>

# Wrightstown Community School District

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### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

Depreciation expense was charged to functions of the District as follows:

Regular Instruction	\$	3,140
Special education instruction		5,999
Other instruction		2,641
Operation and maintenance of plant		57,557
Central services		42,040
Unallocated		395,167
	<u>\$</u>	<u>506,544</u>

### C. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the District, as reported in the fund financial statements, as of June 30, 2018 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Transfer funds to capital improvement trust fund		
Governmental funds		
General	\$ -	\$ 10,000
Capital Improvement Trust	<u>10,000</u>	<u>-</u>
Totals	<u>\$ 10,000</u>	<u>\$ 10,000</u>

The interfund balance at year end was to record a transfer to the capital improvement trust fund within 30 days of fiscal year end in accordance with DPI guidelines.

Interfund transfers for the year ended June 30, 2018 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Capital Improvement Trust	\$ 10,005	\$ -
General	<u>-</u>	<u>10,005</u>
	<u>\$ 10,005</u>	<u>\$ 10,005</u>

Interfund transfers were made to establish the capital improvement trust fund.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2018:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Notes	\$ 3,800,000	\$ -	\$ 830,000	\$ 2,970,000	\$ 820,000
Compensated absences	75,827	5,219	10,538	70,508	-
Governmental activities					
Long-term obligations	<u>\$ 3,875,827</u>	<u>\$ 5,219</u>	<u>\$ 840,538</u>	<u>\$ 3,040,508</u>	<u>\$ 820,000</u>

Total interest paid during the year on long-term debt totaled \$66,167.

#### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/18
General obligation notes	3/1/17	3/1/22	1.29% - 2.28%	\$ 3,800,000	\$ 2,970,000

Annual principal and interest maturities of the outstanding general obligation debt of \$2,970,000 on June 30, 2018 are detailed below:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 820,000	\$ 56,772	\$ 876,772
2020	705,000	44,062	749,062
2021	715,000	31,302	746,302
2022	730,000	16,644	746,644
	<u>\$ 2,970,000</u>	<u>\$ 148,780</u>	<u>\$ 3,118,780</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

#### Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2018 was \$64,654,204 as follows:

Equalized valuation of the District	\$ 672,808,519
Statutory limitation percentage	(x) 10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	67,280,852
Total outstanding general obligation debt applicable to debt limitation	\$ 2,970,000
Less: Amounts available for financing general obligation debt	
Debt service fund, less accrued interest payable	<u>343,352</u>
Net outstanding general obligation debt applicable to debt limitation	<u>2,626,648</u>
Legal margin for new debt	<u>\$ 64,654,204</u>



# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### E. PENSION PLANS

The District reports pension related balances at June 30, 2018, as summarized below:

	Pension Asset	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Wisconsin Retirement System (WRS)	\$ 1,380,078	\$ -	\$ 2,316,809	\$ 2,733,698
Supplemental pension plan	-	161,463	-	6,053
Total	<u>\$ 1,380,078</u>	<u>\$ 161,463</u>	<u>\$ 2,316,809</u>	<u>\$ 2,739,751</u>

#### 1. WRS Pension Plan Description

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

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

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. 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 annual periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### *Post-Retirement Adjustments*

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2	4

#### *Contributions*

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

During the reporting period ending December 31, 2017, the WRS recognized \$474,454 in contributions from the District.

Contribution rates for the reporting period are:

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

# Wrightstown Community School District

## Wrightstown, Wisconsin

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

At June 30, 2018, the District reported an asset of \$1,380,078 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.046481090%, which was an increase of 0.001267981% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$596,725.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,753,423	\$ 820,193
Net differences between projected and actual earnings on pension plan investments	-	1,896,790
Changes in assumptions	272,676	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,315	16,715
Employer contributions subsequent to the measurement date	286,395	-
Total	<u>\$ 2,316,809</u>	<u>\$ 2,733,698</u>

The \$286,395 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Expense</u>
2018	\$ 147,403
2019	(14,709)
2020	(477,025)
2021	(362,231)
2022	3,278
Total	<u>\$ (703,284)</u>

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

#### **Actuarial Assumptions**

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

Actuarial valuation date:	December 31, 2016
Measurement date of net pension liability (asset):	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

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

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

	<u>Current Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<b>Core Fund Asset Class</b>			
Global equities	50%	8.2%	5.3%
Fixed income	24.5%	4.2%	1.4%
Inflation sensitive assets	15.5%	3.8%	1.0%
Real estate	8%	6.5%	3.6%
Private equity/debt	8%	9.4%	6.5%
Multi-asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
<b>Variable Fund Asset Class</b>			
U.S. equities	70%	7.5%	4.6%
International equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5%

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

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

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

**Sensitivity of the 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 7.2 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
District's proportionate share of the net pension liability (asset)	\$ 3,570,734	\$ (1,380,078)	\$ (5,142,850)

**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>.

***Payable to the Pension Plan***

At June 30, 2018, the District reported no outstanding contributions to the pension plan for the year ended June 30, 2018.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

#### 2. Supplemental Pension Plan

##### *Pension Description*

The plan, a single-employer pension plan, is a defined benefit pension plan established to provide an annual cash stipend to eligible professional staff, until Medicare-eligibility. The plan is administered by the District. The plan does not issue separate financial statements.

##### *Plan Participants and Benefits Provided*

A summary of eligibility requirements and plan benefits follows:

Active employees			<u>102</u>
	<b>Eligibility Requirement</b>		
	<u>Age</u>	<u>Service</u>	<u>Benefits</u>
Professional Staff	62	15 full-time years with the District and a minimum of 30 years of overall professional service	\$7,900 annually upon retirement until Medicare eligibility

##### *Funding Policy*

The entire cost of these benefits is paid by the District. Benefits are currently funded on a pay-as-you-go basis and no assets exist to prefund retiree benefits.

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

<u>Component</u>	<u>Amount</u>
Total pension liability at July 1, 2017	\$ 165,621
Changes for the year:	
Service cost	13,268
Interest	4,931
Change of assumptions or other input	(6,557)
Benefit payments	<u>(15,800)</u>
Net changes	<u>(4,158)</u>
Total pension liability at June 30, 2018	<u>\$ 161,463</u>

For the year ended June 30, 2018, the District recognized pension expense of \$17,695. At June 30, 2018, the District reported deferred inflows of resources related to pension from the following sources:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	<u>\$ 6,053</u>

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

The \$6,053 reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Expense
2018	\$ (504)
2019	(504)
2020	(504)
2021	(504)
2022	(504)
Thereafter	(3,533)
Total	<u>\$ (6,053)</u>

#### **Actuarial Assumptions**

The District's total pension liability was measured as of July 1, 2017 and rolled forward to June 30, 2018.

*Actuarial Assumptions.* The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of salary
Actuarial assumptions:	
Discount rate	3.5%
Inflation	2.5%

*Single Discount Rate.* A single discount rate of 3.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investment.

*Sensitivity of the District's total pension liability to changes in the discount rate.* The follow presents the District's total pension liability at June 30, 2018 calculated using the discount rate of 3.50 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate.

	1% Decrease to Discount Rate (2.50%)	Current Discount Rate (3.5%)	1% Increase to Discount Rate (4.5%)
Total pension liability	\$ 174,746	\$ 161,463	\$ 148,580

#### **Payable to the Supplemental Pension Plan**

At June 30, 2018, the District reported no amount for outstanding contributions to the Plan required for the year ended June 30, 2018.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2018

#### F. OTHER POST-EMPLOYMENT BENEFITS

The District has adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the year ended June 30, 2018. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended June 30, 2017 have not been restated.

The cumulative effect of this change was to decrease the June 30, 2017 net position by \$1,065,629 as follows:

Other postemployment liability			
OPEB liability balance previously reported	\$	153,435	
Actuarially determined balance		<u>1,383,352</u>	
Increase in other postemployment liability			\$ (1,229,917)
Deferred outflows of resources			
Employer contributions subsequent to the measurement date			<u>164,288</u>
			<u>\$ (1,065,629)</u>

The District reports OPEB related balances at June 30, 2018 as summarized below:

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Local Retiree Life Insurance Fund (LRLIF)	\$ 193,566	\$ 31,294	\$ 2,727
Single-employer defined OPEB plan	1,166,889	157,111	-
Total	<u>\$ 1,360,455</u>	<u>\$ 188,405</u>	<u>\$ 2,727</u>

#### 1. Single-employer Defined Postemployment Benefit Plan

##### *Plan Description*

The District provides health care insurance coverage for employees who retire until they reach the age of 65. Eligible retired employees have access to group medical coverage through the District's group plans. The following tables show the age and service requirements for eligibility along with the benefits offered under the Plan:

	<u>Eligibility Requirement</u>			<u>Benefits</u>
	<u>Age</u>	<u>Service</u>		
Professional Staff retired prior to July 1, 2011	55	15 with the District and a minimum of 30 years of overall professional service	100% of the single or family medical premium and 100% of single dental premium frozen at the rates in effect upon retirement until Medicare eligible	Unused accumulated sick leave balance converted using \$35 per day upon retirement



# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

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This plan was changed by action of the School Board effective July 1, 2011. The change eliminated this benefit for all retirees who retire on or after July 1, 2011. The employees that retired prior to July 1, 2011 will continue to receive this benefit. Since no new retirees will receive this benefit, this benefit will end when all the current participants reach age 65. As of July 1, 2018, there were 9 retirees remaining on the plan with various years remaining until reaching age 65. After 10 years, the last eligible participant will reach age 65.

**Employees Covered by Benefit Terms**

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

Active employees 9

**Total OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2017, with an actuarial valuation date of July 1, 2016.

**Actuarial Assumptions.** The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Discount rate	3.50%
Healthcare cost trend rates:	7.5% initial decreases by 0.5% per year down to 6.5%, then decreases by 0.1% until 5.0%

Mortality rates are the same as those used in the December 2015 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the July 1, 2016 valuation were based on the "Wisconsin Retirement System 2012-2014 Experience Study".

**Discount Rate.** The discount rate used to measure the total OPEB liability was 3.5%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

#### *Changes in Total OPEB Liability*

	<b>Total OPEB Liability</b>
Balance at July 1, 2017	<u>\$ 1,239,095</u>
Changes for the year:	
Service cost	50,701
Interest	41,381
Contributions - employer	-
Net investment income	-
Benefit payments	<u>(164,288)</u>
Net changes	<u>(72,206)</u>
Balance at June 30, 2018	<u>\$ 1,166,889</u>

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	<b>1% Decrease to Discount Rate (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase to Discount Rate (4.50%)</b>
Total OPEB liability	\$ 1,220,990	\$ 1,166,889	\$ 1,144,425

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	<b>1% Decrease (6.50% decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)</b>	<b>1% Increase (8.5% decreasing to 6.0%)</b>
Total OPEB liability	\$ 1,096,017	\$ 1,166,889	\$ 1,245,944

#### ***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the year ended June 30, 2018, the District recognized OPEB expense of \$92,082. At June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
District contributions subsequent to the measurement date	<u>\$ 157,111</u>

The \$157,111 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2018, and reported in the year ended June 30, 2019.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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***Payable to the OPEB Plan***

At June 30, 2018, the District reported no outstanding contribution to the Plan required for the year ended June 30, 2018.

**2. 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 postemployment life insurance benefits for all eligible employees.

***OPEB Plan Fiduciary Net Position***

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

***Benefits Provided***

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

***Contributions***

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

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

Contribution rates as of June 30, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

During the reporting period, the LRLIF recognized \$1,221 in contributions from the employer.

***OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***  
 At June 30, 2018, the District reported a liability of \$193,566 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.06433800%, which was an increase of 0.00492100% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$22,069.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,727
Net differences between projected and actual earnings on OPEB plan investments	2,229	-
Changes in assumptions	18,705	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,360	-
<b>Total</b>	<b>\$ 31,294</b>	<b>\$ 2,727</b>

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

Year Ended June 30,	Expense
2018	\$ 3,004
2019	3,004
2020	3,004
2021	3,004
2022	2,447
Thereafter	14,104
Total	<u>\$ 28,567</u>

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

Actuarial valuation date:	January 1, 2017
Measurement date of net OPEB liability (asset):	December 31, 2017
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	3.44%
Long-term expected rate of return:	5.00%
Discount rate:	3.63%
Salary increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

**Long-term expected return on plan assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the 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.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65%	2.61%
U.S. Long Credit Bonds	Barclays Long Credit	3%	3.08%
U.S. Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-term expected rate of return			5.00%

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

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

	<u>1% Decrease to Discount Rate (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase to Discount Rate (4.63%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ 273,582	\$ 193,566	\$ 132,162

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

**Payable to the OPEB Plan**

At June 30, 2018, the District reported no outstanding contribution to the Plan required for the year ended June 30, 2018.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### JUNE 30, 2018

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#### G. FUND EQUITY

##### Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2018, restricted fund balance was as follows:

Special Revenue Funds		
Restricted for		
Food Service	\$	101,698
Community Service		88,504
HFA Trust fund		15,550
Debt Service Funds		
Referendum debt service		357,545
Capital Projects Funds		
Restricted for		
Capital Projects		638,947
Capital Improvement Trust		10,005
		<u>1,212,249</u>
Total restricted fund balance	\$	<u>1,212,249</u>

##### Net Position

The District reports restricted net position at June 30, 2018 as follows:

Governmental activities		
Restricted for		
Food Service	\$	101,698
Community Service		88,504
HFS Trust		15,550
Debt Service		343,352
Capital Projects		648,952
		<u>1,198,056</u>
Total restricted net position	\$	<u>1,198,056</u>

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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#### NOTE 3: OTHER INFORMATION

##### A. 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; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage.

##### B. CONTINGENCIES

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

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

##### C. LIMITATION ON SCHOOL DISTRICT REVENUES

Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

This limitation does not apply to revenue 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 referendum prior to August 12, 1993.
- ▶ A referendum on or after August 12, 1993.

##### D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after December 15, 2018. The District is currently evaluating the impact this standard will have on the financial statements when adopted.



## REQUIRED SUPPLEMENTARY INFORMATION

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# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2018

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,234,116	\$ 4,234,116	\$ 4,234,116	\$ -
Other local sources	72,205	72,205	126,218	54,013
Interdistrict sources	530,435	530,435	466,508	(63,927)
State sources	8,457,232	8,457,232	8,454,137	(3,095)
Federal sources	121,745	121,745	132,163	10,418
Other sources	61,006	61,006	29,927	(31,079)
<b>Total revenues</b>	<b>13,476,739</b>	<b>13,476,739</b>	<b>13,443,069</b>	<b>(33,670)</b>
<b>EXPENDITURES</b>				
Instruction				
Regular instruction	5,610,131	5,610,131	5,513,000	97,131
Vocational instruction	667,709	667,709	686,098	(18,389)
Other instruction	896,370	896,370	903,320	(6,950)
<b>Total instruction</b>	<b>7,174,210</b>	<b>7,174,210</b>	<b>7,102,418</b>	<b>71,792</b>
Support services				
Pupil services	444,912	444,912	438,272	6,640
Instructional staff services	551,934	551,934	483,342	68,592
General administration services	415,323	415,323	406,632	8,691
School administration services	578,820	578,820	580,851	(2,031)
Business services	252,283	252,283	265,494	(13,211)
Operations and maintenance of plant	1,283,366	1,283,366	1,332,532	(49,166)
Pupil transportation services	548,025	548,025	549,396	(1,371)
Food services	-	-	-	-
Central services	661,022	661,022	631,225	29,797
Insurance	115,880	115,880	104,131	11,749
Other support services	106,620	106,620	100,635	5,985
<b>Total support services</b>	<b>4,958,185</b>	<b>4,958,185</b>	<b>4,892,510</b>	<b>65,675</b>
Non-program				
General tuition payments	401,000	401,000	445,741	(44,741)
Adjustments and refunds	-	-	18,680	(18,680)
Voucher payments	31,000	31,000	39,588	(8,588)
<b>Total non-program</b>	<b>432,000</b>	<b>432,000</b>	<b>504,009</b>	<b>(72,009)</b>
<b>Total expenditures</b>	<b>12,564,395</b>	<b>12,564,395</b>	<b>12,498,937</b>	<b>65,458</b>
<b>Excess of revenues over expenditures</b>	<b>912,344</b>	<b>912,344</b>	<b>944,132</b>	<b>31,788</b>
<b>OTHER FINANCING USES</b>				
Transfers out	(825,515)	(825,515)	(946,173)	(120,658)
<b>Net change in fund balance</b>	<b>86,829</b>	<b>86,829</b>	<b>(2,041)</b>	<b>(88,870)</b>
<b>Fund balance - July 1</b>	<b>5,639,430</b>	<b>5,639,430</b>	<b>5,639,430</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ 5,726,259</b>	<b>\$ 5,726,259</b>	<b>\$ 5,637,389</b>	<b>\$ (88,870)</b>

See notes to required supplementary information.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - SPECIAL EDUCATION SPECIAL REVENUE FUND - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2018

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interdistrict sources	\$ 801	\$ 801	\$ -	\$ (801)
Intermediate sources	500	500	485	(15)
State sources	318,000	318,000	295,861	(22,139)
Federal sources	291,334	291,334	249,556	(41,778)
<b>Total revenues</b>	<b>610,635</b>	<b>610,635</b>	<b>545,902</b>	<b>(64,733)</b>
<b>EXPENDITURES</b>				
Instruction				
Special education instruction	1,001,260	1,001,260	989,530	11,730
Support services				
Pupil services	120,470	120,470	119,725	745
Instructional staff services	151,860	151,860	178,612	(26,752)
Business services	19,570	19,570	20,612	(1,042)
Operations and maintenance of plant	-	-	50,777	(50,777)
Pupil transportation services	17,875	17,875	10,800	7,075
Total support services	309,775	309,775	380,526	(70,751)
Non-program				
Special education tuition payments	125,115	125,115	112,014	13,101
<b>Total expenditures</b>	<b>1,436,150</b>	<b>1,436,150</b>	<b>1,482,070</b>	<b>(45,920)</b>
Excess of revenues under expenditures	(825,515)	(825,515)	(936,168)	(110,653)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	825,515	825,515	936,168	110,653
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to required supplementary information.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS \*

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 50,701
Interest	41,381
Changes of assumptions	-
Benefit payments	<u>(164,288)</u>
Net change in total OPEB liability	(72,206)
Total OPEB liability - beginning	<u>1,239,095</u>
Total OPEB liability - ending	<u>\$ 1,166,889</u>
Covered-employee payroll	\$ 5,722,706
District's total OPEB liability as a percentage of covered-employee payroll	20.39%

\* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

*See notes to required supplementary information.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.044630660%	\$ (1,096,251)	\$ 6,052,786	18.11%	102.74%
12/31/15	0.044656340%	725,657	6,436,110	11.27%	98.20%
12/31/16	0.045213109%	372,664	6,815,123	5.47%	99.12%
12/31/17	0.046481090%	(1,380,078)	6,977,773	19.78%	102.93%

### SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/15	\$ 453,915	\$ 453,915	\$ -	\$ 5,405,588	8.40%
6/30/16	476,592	476,592	-	5,721,311	8.33%
6/30/17	564,471	564,471	-	5,815,795	9.71%
6/30/18	573,541	573,541	-	5,906,829	9.71%

See notes to required supplementary information.

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS SUPPLEMENTAL PENSION LAST 10 FISCAL YEARS \*

	<u>2018</u>	<u>2017</u>
Total pension liability		
Service cost	\$ 13,268	\$ 13,268
Interest	4,931	4,631
Changes in assumptions	(6,557)	-
Benefit payments	<u>(15,800)</u>	<u>-</u>
Net change in total pension liability	(4,158)	17,899
Total OPEB liability - beginning	<u>165,621</u>	<u>147,722</u>
Total OPEB liability - ending	<u>\$ 161,463</u>	<u>\$ 165,621</u>
Covered-employee payroll	\$ 5,722,706	\$ 5,682,341
District's net pension liability as a percentage of covered-employee payroll	2.82%	2.91%

\* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

*See notes to required supplementary information.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) LOCAL RETIREE LIFE INSURANCE FUND LAST 10 FISCAL YEARS

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<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.06433800%	\$ 193,566	\$ 2,705,597	7.15%	44.81%

*See notes to required supplementary information.*

# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

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#### A. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The District implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Information for prior years is not available.

#### B. WISCONSIN RETIREMENT SYSTEM

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

#### C. BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. Budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

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

- ▶ Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- ▶ The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- ▶ A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- ▶ Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- ▶ Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
- ▶ Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance in the fund financial statements.
- ▶ Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- ▶ The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2018.



# Wrightstown Community School District

## Wrightstown, Wisconsin

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

#### Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education</u>
<b>Revenues</b>		
Actual amounts (budgetary basis)	\$ 13,443,069	\$ 545,902
Reclassification of special education fund	<u>545,902</u>	<u>(545,902)</u>
Total revenues	<u>13,988,971</u>	<u>-</u>
<b>Expenditures</b>		
Actual amounts (budgetary basis)	12,498,937	1,482,070
Reclassification of special education fund	<u>1,482,070</u>	<u>(1,482,070)</u>
Total expenditures	<u>13,981,007</u>	<u>-</u>
<b>Excess of revenues over (under) expenditures</b>		
Actual amounts (budgetary basis)	944,132	(936,168)
Reclassification of special education fund	<u>(936,168)</u>	<u>936,168</u>
Excess of revenues over (under) expenditures	<u>7,964</u>	<u>-</u>
<b>Other financing sources (uses)</b>		
Actual amounts (budgetary basis)	(946,173)	936,168
Reclassification of special education fund	<u>936,168</u>	<u>(936,168)</u>
Total other financing sources (uses)	<u>(10,005)</u>	<u>-</u>
<b>Net change in fund balance</b>		
Actual amounts (budgetary basis)	<u>(2,041)</u>	<u>-</u>
<b>Fund balance - July 1</b>		
Actual amounts (budgetary basis)	<u>5,639,430</u>	<u>-</u>
<b>Fund balance - June 30</b>		
Actual amounts (budgetary basis)	<u>\$ 5,637,389</u>	<u>\$ -</u>

## SUPPLEMENTARY INFORMATION

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# Wrightstown Community School District

## Wrightstown, Wisconsin

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

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	Special Revenue			Debt Service
	Food Service	Community Service	HFA Trust	Referendum Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 95,245	\$ 88,504	\$ 16,750	\$ 357,545
Due from other funds	-	-	-	-
Due from other governments	6,755	-	-	-
	<u>102,000</u>	<u>88,504</u>	<u>16,750</u>	<u>357,545</u>
Total assets	<u>\$ 102,000</u>	<u>\$ 88,504</u>	<u>\$ 16,750</u>	<u>\$ 357,545</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 302	\$ -	\$ 1,200	\$ -
Fund balances				
Restricted	101,698	88,504	15,550	357,545
	<u>102,000</u>	<u>88,504</u>	<u>16,750</u>	<u>357,545</u>
Total liabilities and fund balances	<u>\$ 102,000</u>	<u>\$ 88,504</u>	<u>\$ 16,750</u>	<u>\$ 357,545</u>

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**Capital Projects**

<b>Capital Improvement Trust</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 5	\$ 558,049
10,000	10,000
-	6,755
<u>\$ 10,005</u>	<u>\$ 574,804</u>
<u>\$ -</u>	<u>\$ 1,502</u>
<u>10,005</u>	<u>573,302</u>
<u>\$ 10,005</u>	<u>\$ 574,804</u>

# Wrightstown Community School District

## Wrightstown, Wisconsin

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

	Special Revenue			Debt Service
	Food Service	Community Service	HFA Trust	Referendum Debt Service
<b>REVENUES</b>				
Property taxes	\$ -	\$ 100,000	\$ -	\$ 1,250,000
Other local sources	413,642	-	16,750	2,493
State sources	6,863	-	-	-
Federal sources	222,180	-	-	-
Other sources	-	36,015	-	-
<b>Total revenues</b>	<b>642,685</b>	<b>136,015</b>	<b>16,750</b>	<b>1,252,493</b>
<b>EXPENDITURES</b>				
Instruction				
Other instruction	-	-	1,200	-
Support services				
Food services	644,552	-	-	-
Debt service				
Principal	-	-	-	830,000
Interest and fiscal charges	-	-	-	66,167
Total debt service	-	-	-	896,167
Community service	-	47,511	-	-
<b>Total expenditures</b>	<b>644,552</b>	<b>47,511</b>	<b>1,200</b>	<b>896,167</b>
Excess of revenues over (under) expenditures	(1,867)	88,504	15,550	356,326
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<b>(1,867)</b>	<b>88,504</b>	<b>15,550</b>	<b>356,326</b>
<b>Fund balances - July 1</b>	<b>103,565</b>	<b>-</b>	<b>-</b>	<b>1,219</b>
<b>Fund balances - June 30</b>	<b>\$ 101,698</b>	<b>\$ 88,504</b>	<b>\$ 15,550</b>	<b>\$ 357,545</b>

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**Capital Projects**

<b>Capital Improvement Trust</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 1,350,000
-	432,885
-	6,863
-	222,180
-	36,015
-	<u>2,047,943</u>
-	1,200
-	<u>644,552</u>
-	830,000
-	66,167
-	<u>896,167</u>
-	<u>47,511</u>
-	<u>1,589,430</u>
-	<u>458,513</u>
<u>10,005</u>	<u>10,005</u>
10,005	468,518
-	<u>104,784</u>
<u>\$ 10,005</u>	<u>\$ 573,302</u>

# Wrightstown Community School District

## Wrightstown, Wisconsin

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

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
<b>ASSETS</b>				
Cash	\$ 212,669	\$ 420,275	\$ 384,217	\$ 248,727
<b>LIABILITIES</b>				
Due to student organizations				
Robotics Club	\$ 777	\$ 4,867	\$ 5,285	\$ 359
HS Drama Club	10,518	22,862	16,414	16,966
One Act Play	1,379	1,482	2,319	542
Spanish Club	5,763	14,357	14,809	5,311
WYEC/FBLA	(1,528)	17,564	14,656	1,380
FFA	5,834	41,018	40,947	5,905
ECO Club	1,753	2,425	116	4,062
Industrial Arts Club	700	-	-	700
National Honor Society	1,086	1,850	1,337	1,599
FPS	(146)	2,936	-	2,790
Chess Club	233	-	-	233
Student Newspaper	17	-	-	17
HS Yearbook	13,043	5,550	5,394	13,199
WHSFA	-	1,424	1,177	247
S.C.O.R.E.S.	1,311	3,332	2,600	2,043
Forensics	184	3,305	1,916	1,573
Click-It Project	200	-	-	200
HS Pond Project	430	-	-	430
HS Bridge Club	1,327	107	234	1,200
WES Programs	8,407	16,382	19,816	4,973
Elementary Fitness Trail	2,394	-	-	2,394
Elementary Student Council	701	1,893	1,982	612
District Wide Program Promotions	16,003	19,286	15,978	19,311
Pom Pon	14,864	10,534	10,971	14,427
Girls Basketball	2,051	13,733	14,866	918
Girls Soccer	3,562	6,383	4,433	5,512
Girls Softball	2,302	6,571	5,881	2,992
Girls Volleyball	(643)	12,840	6,985	5,212
Boys Baseball	84	11,248	6,424	4,908
Boys Basketball	1,069	11,139	11,131	1,077
Boys Football	4,722	23,638	20,673	7,687
Boys Golf	1,330	1,155	1,462	1,023
Boys Soccer	4,664	3,128	3,076	4,716
Middle School Dance	593	546	607	532
HS Color Guard	1,903	578	192	2,289
CO-ED Track and Field	6,233	3,704	4,700	5,237
Activity Interest	3,558	641	542	3,657
Music	19,127	32,683	35,489	16,321
Class of 2014	2,197	-	-	2,197
Class of 2015	550	-	-	550
Class of 2016	4,253	-	-	4,253
Class of 2017	5,283	1,075	4,965	1,393
Class of 2018	3,799	3,275	3,491	3,583

(Continued)

# Wrightstown Community School District

## Wrightstown, Wisconsin

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

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
<b>LIABILITIES (Continued)</b>				
Class of 2019	3,761	6,334	3,840	6,255
Class of 2020	2,351	3,198	1,166	4,383
Class of 2021	-	3,020	840	2,180
Music Boosters	1,155	1,026	123	2,058
Middle School Student Leadership	1,927	11,960	12,585	1,302
High School Student Council	2,779	14,552	11,021	6,310
Teen Outreach	459	1,899	1,516	842
Student School Store	1,846	11,360	11,295	1,911
Parent Network	92	-	-	92
W Club	4,758	10,114	11,125	3,747
Senior Graduation Fundraiser	19,683	22,624	18,757	23,550
HS Program Promotions	33	-	-	33
MS Drama Club	2,970	3,383	939	5,414
WMS Student Incentive	(10)	-	-	(10)
MS Parent Network	294	1,036	781	549
MATADA	249	157	353	53
HS Art Club	1,318	306	345	1,279
MS Yearbook	432	3,472	4,104	(200)
Student Athletic Advisory Board	3,736	2,651	6,296	91
ES Parent Network	6,176	16,131	15,552	6,755
Boys Wrestling	880	1,696	1,689	887
WHS Tiger Strong	5,893	1,845	1,022	6,716
<b>Total liabilities</b>	<b>\$ 212,669</b>	<b>\$ 420,275</b>	<b>\$ 384,217</b>	<b>\$ 248,727</b>



ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS

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## Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Board of Education  
Wrightstown Community School District  
Wrightstown, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wrightstown Community School District, Wrightstown, Wisconsin (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated November 30, 2018.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

### **COMPLIANCE AND OTHER MATTERS**

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

**WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT'S RESPONSE TO FINDING**

The District's response to the finding identified in our audit is described in the accompanying schedule or prior year audit findings and corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**PURPOSE OF THIS REPORT**

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



Certified Public Accountants

Green Bay, Wisconsin  
November 30, 2018

## FEDERAL AND STATE AWARDS

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## Independent auditors' report on compliance for each major state program and on internal control over compliance required by the Wisconsin Department of Public Instruction

To the Board of Education  
Wrightstown Community School District  
Wrightstown, Wisconsin

### **REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM**

We have audited the Wrightstown Community School District, Wrightstown, Wisconsin (the "District's") compliance with the types of compliance requirements described in the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2018. The District's major state programs are identified in the accompanying summary of audit results.

#### **MANAGEMENT'S RESPONSIBILITY**

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

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of the Wisconsin Department of Public Instruction and the *Wisconsin Public School District Audit Manual*. Those standards and compliance requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state programs occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### **OPINION ON EACH STATE PROGRAM**

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

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Wisconsin Public School District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Green Bay, Wisconsin  
November 30, 2018

Wrightstown Community School District  
Wrightstown, Wisconsin

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

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/18	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
<i>Child Nutrition Cluster</i>								
School Breakfast Program July 1, 2016 - June 30, 2017	10.553	WI DPI	2017-056734-SB-546	\$ (913)	\$ 913	\$ -	\$ -	\$ -
July 1, 2017 - June 30, 2018			2018-056734-SB-546	-	20,207	1,485	21,692	-
National School Lunch Program July 1, 2016 - June 30, 2017	10.555	WI DPI	2017-056734-NSL-546	(3,033)	3,033	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-NSL-547	-	146,584	5,270	151,854	-
Donated Commodities 17-18			Unknown	-	48,634	-	48,634	-
Total National School Lunch Program				<u>(3,033)</u>	<u>198,251</u>	<u>5,270</u>	<u>200,488</u>	<u>-</u>
Total Child Nutrition Cluster and U.S. Department of Agriculture				<u>(3,946)</u>	<u>219,371</u>	<u>6,755</u>	<u>222,180</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title I Grants to Local Educational Agencies July 1, 2017 - June 30, 2018	84.010	WI DPI	2018-056734-Title I-141	-	89,140	-	89,140	-
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States July 1, 2016 - June 30, 2017	84.027	WI DPI	2017-056734-IDEA-341	(231,305)	231,305	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-IDEA-341	-	203,409	19,029	222,438	-
Autism Evidence Based Practice Grant July 1, 2016 - June 30, 2017	84.027	WI DPI	N/A	(8,000)	8,000	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-IDEA-342	-	8,000	-	8,000	-
Special Education Preschool Grants July 1, 2016 - June 30, 2017	84.173	WI DPI	17-056734-Pre-S-347	(4,364)	4,364	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-Pre-S-347	-	4,364	-	4,364	-
Total Special Education Cluster (IDEA)				<u>(243,669)</u>	<u>459,442</u>	<u>19,029</u>	<u>234,802</u>	<u>-</u>
English Language Acquisition State Grants July 1, 2016 - June 30, 2017	84.365	WI DPI	17-056328-Title III A-391	(7,098)	7,098	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-Title III A-391	-	-	8,124	8,124	-
Improving Teacher Quality State Grants July 1, 2016 - June 30, 2017	84.367	WI DPI	17-056734-Title II-365	(26,297)	26,297	-	-	-
July 1, 2017 - June 30, 2018			2018-056734-Title II-365	-	24,899	-	24,899	-
Student Support and Academic Enrichment Program July 1, 2017 - June 30, 2018	84.424	WI DPI	2018-056734-Title-IV A-381	-	10,000	-	10,000	-
Total U.S. Department of Education				<u>(277,064)</u>	<u>616,876</u>	<u>27,153</u>	<u>366,965</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	44244000	(197)	14,951	-	14,754	-
<b>TOTAL FEDERAL AWARDS</b>				<u>\$ (281,207)</u>	<u>\$ 851,198</u>	<u>\$ 33,908</u>	<u>\$ 603,899</u>	<u>\$ -</u>
Reconciliation to the basic financial statements Federal sources							<u>\$ 603,899</u>	

The notes to the schedules of expenditures of federal and state awards are an integral part of this schedule.

Wrightstown Community School District  
Wrightstown, Wisconsin

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

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/18	Total Expenditures	Subrecipient Payments
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>								
Special Education and School Age Parents	255.101	Direct Program	056734-100	\$ -	\$ 279,092	\$ -	\$ 279,092	\$ -
State School Lunch Aid	255.102	Direct Program	056734-107	-	5,918	-	5,918	-
Common School Fund Library Aid	255.103	Direct Program	056734-104	-	51,427	-	51,427	-
General Transportation Aid	255.107	Direct Program	056734-102	-	50,960	-	50,960	-
Equalization Aids	255.201	Direct Program	056734-116	(125,822)	7,728,462	131,656	7,734,296	-
High Cost Special Education Aid	255.210	Direct Program	056734-119	-	16,769	-	16,769	-
State School Breakfast Aid	255.344	Direct Program	056734-108	-	945	-	945	-
Educator Effective Evaluation System	255.940	Direct Program	056734-154	-	8,640	-	8,640	-
Per Pupil Aid	255.945	Direct Program	056734-113	-	576,900	-	576,900	-
Career and Technical Education Incentive Grants	255.950	Direct Program	056734-171	-	1,267	-	1,267	-
Assessments of Reading Readiness	255.956	Direct Program	056734-106	-	4,000	-	4,000	-
Robotics League Participation Grants	255.959	Direct Program	056734-167	-	851	-	851	-
Total Wisconsin Department of Public Instruction				(125,822)	8,725,231	131,656	8,731,065	-
<b>TOTAL STATE PROGRAMS</b>				<u>\$ (125,822)</u>	<u>\$ 8,725,231</u>	<u>\$ 131,656</u>	<u>\$ 8,731,065</u>	<u>\$ -</u>

Reconciliation to the basic financial statements	
State sources	\$ 8,756,861
Less: State sources not considered state financial assistance	
State tax computer aid	(22,526)
Payment in lieu of taxes and other revenues	(3,270)
Total expenditures of state awards	<u>\$ 8,731,065</u>

The notes to the schedules of expenditures of federal and state awards are an integral part of this schedule.



# Wrightstown Community School District

## Wrightstown, Wisconsin

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

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#### **NOTE 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal and state awards for the District are presented in accordance with the requirements of the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction.

The schedules of expenditures of federal and state awards include all federal and state awards of the District. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2018 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

#### **NOTE 3: SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM**

The 2017 - 2018 eligible costs under the State Special Education Program as reported by the District are \$1,122,272. Compiled information required by compliance requirement 1-1 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

#### **NOTE 4: FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed.

#### **NOTE 5: OVERSIGHT AGENCIES**

The Wisconsin Department of Public Instruction is the state oversight agency for the District.

#### **NOTE 5: PASS THROUGH ENTITIES**

Federal awards have been passed through the following entities:

WI DHS - Wisconsin Department of Health Services  
WI DPI - Wisconsin Department of Public Instruction

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SUMMARY OF AUDIT RESULTS FOR THE YEAR ENDED JUNE 30, 2018

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#### SECTION I: SUMMARY OF AUDITORS' RESULTS

##### BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	Yes
Noncompliance material to basic financial statements noted?	No

##### STATE AWARDS

Internal control over major state programs:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major state programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>Wisconsin Public School District Audit Manual</i> ?	No

##### Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aids
255.945	Per Pupil Aid

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SUMMARY OF AUDIT RESULTS FOR THE YEAR ENDED JUNE 30, 2018

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#### SECTION II: FINANCIAL STATEMENT FINDINGS

FINDING NO.	CONTROL DEFICIENCIES
2018-001	<p><b>Preparation of Annual Financial Report</b> Repeat of Finding 2017-001</p>
Condition:	<p>Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.</p>
Criteria:	<p>The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.</p>
Cause:	<p>District management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.</p>
Effect:	<p>Without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.</p>
Recommendation:	<p>We recommend the District continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.</p>
Management Response:	<p>Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.</p>

#### SECTION III: STATE AWARD FINDINGS AND QUESTIONED COSTS


There are no audit findings and questioned costs required to be reported under the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction for the year ended June 30, 2018.

# Wrightstown Community School District Wrightstown, Wisconsin

## SUMMARY OF AUDIT RESULTS FOR THE YEAR ENDED JUNE 30, 2018

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### SECTION IV: OTHER ISSUES

- |   |   |
|---|---|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?  | No  |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>Wisconsin Public School District Audit Manual</i> :<br>Department of Health Services<br>Department of Public Instruction | No<br>No  |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?   | Yes   |
| 4. Name and signature of partner  | <br>Paul G. Denis, CPA |
| 5. Date of report   | November 30, 2018   |

# Wrightstown Community School District

## Wrightstown, Wisconsin

### SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

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#### PRIOR YEAR AUDIT FINDINGS

The findings noted in the 2017 summary of audit results have been reported to the proper state agencies. The current status of the prior year audit findings, as provided by management, follows:

<u>Finding No.</u>	<u>Prior Year Audit Finding</u>
2017-001	<b>Preparation of Annual Financial Report</b>  Management continues to believe the cost to hire additional staff to eliminate the control deficiency outweighs the benefit to be received. Management reviews the financial report prior to issuance.
2017-002	<b>Financial Reporting for Federal and State Financial Assistance</b>  Management has prepared the schedule of federal and state awards for the current year.

#### CORRECTIVE ACTION PLAN

<u>Finding No.</u>	<u>Corrective Action Plan</u>
2018-001	<b>Preparation of Annual Financial Report</b>  Management believes the cost of hiring additional staff to prepare financial reports outweighs the benefits to be received.

#### Additional Response:

Dan Storch, Business Manager, is the contact person for the District. Dan performs the following mitigating controls:

1. Reviews and approves all adjusting entries proposed by the auditor.
2. Compares final adjusted trial balance with audited financial statements.
3. Compares the schedule of expenditures of federal awards and state financial assistance to:
  - a. Final adjusted trial balance
  - b. Submitted final reimbursement claims
  - c. State payment register and DPI website