

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	16
Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures, and Change in Fund Balances of Governmental Funds to Statement of Activities	18
Statement of Net Position – Fiduciary Funds	19
Statement of Changes in Net Position – Fiduciary Funds	20
Notes to Basic Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	49
Schedule of District's Proportionate Share of Wisconsin Retirement System Net Pension Plan Liability (Asset)	50
Schedule of District's Contributions to Wisconsin Retirement System Pension Plan	51
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	52
Schedule of District's Contributions – Other Postemployment Benefits Plan	53
Schedule of District's Investment Returns on OPEB Plan Assets	54
Notes to Required Supplementary Information	55

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

Combining Budgetary Comparison Schedule – Fund 10 and Fund 27	56
Budgetary Comparison Schedule – Fund 10	57
Budgetary Comparison Schedule – Fund 27	58
Combining Balance Sheet – Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures, and Change in Fund Balances – Nonmajor Governmental Funds	60
Detailed Balance Sheet – Debt Service Fund	61
Detailed Statement of Revenues, Expenditures, and Change in Fund Balances – Debt Service Fund	62
Statement of Cash Receipts, Disbursements, and Change in Balances – Student Activity Funds	63

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	64
Schedule of State Financial Assistance	66
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	67
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 <i>Government Auditing Standards</i>	68
Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control over Compliance as Required by The Uniform Guidance and <i>State Single Audit Guidelines</i>	70
Schedule of Findings and Questioned Costs	72



INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, 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 School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 School District of Amery, Wisconsin as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Supplementary 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 individual and combining fund statements and, the accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Education
School District of Amery

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 December 24, 2020 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Amery's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 24, 2020

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

As management of the School District of Amery (District), we offer the readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ending June 30, 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-20 fiscal year include the following:

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows or resources at the close of the fiscal year by \$18,880,310 (net position). Of this amount, \$15,391,277 represents net investment in capital assets, \$4,189,553 is for restricted purposes. The remaining deficit balance of \$700,520 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$346,471 over the prior year.
- Net capital assets decreased by \$779,512 during the year, reflecting the cost of acquisitions less than depreciation expense and disposals.
- The District's general obligation long-term bonds, including the current portion, decreased \$1,035,155 during the year. The District's other long-term obligations, including the current portions, decreased \$2,782,414 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$4,837,139 of total revenues of \$25,039,046. General revenues accounted for \$20,201,907, including \$8,970,441 of property taxes and \$9,671,567 of general aid. General revenues accounted for 80.7% of all revenues.
- The District had a total of \$24,692,575 of expenses, of which \$4,837,139 were financed with program revenues.
- The total fund balance of the District's governmental funds decreased \$60,112. The general fund had an increase of \$38,551, with an increase of \$9,889 in the debt service fund, and a decrease of \$108,552 in non-major funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to basic financial statements. This report also includes other supplementary information in addition to the basic financial statements, including required supplementary information consisting of the management's discussion and analysis, budgetary comparisons for the major governmental funds, other post-employment benefit related schedules, and pension related schedules.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Government-Wide Financial Statements

The two government-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. These statements are designed to distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. The District had no programs that were accounted for as business-type activities.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows/inflows of resources and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The *Statement of Activities* presents information showing how the District's net position changed during the year. This statement reports the cost of governmental functions and how those functions were financed for the fiscal year.

Fund Financial Statements

The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements and/or to control and manage money for particular purposes. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements. Funds can be categorized into three categories: governmental funds, proprietary funds, and fiduciary funds. The District had no proprietary funds for the fiscal year ended June 30, 2020.

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, explanations of the differences between the governmental funds and the government-wide statements are included as separate statements within the basic financial statements.

Governmental funds include the District's six regular funds; general, education trust, food service, debt service, community services fund (adult education, theatre and day care funds) and long-term capital projects fund. Also, the District has considered its debt service funds as one fund for report purposes.

Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general fund and debt service fund as these are considered to be major funds. Data for the education trust fund, the food service fund, the community services funds, and the long-term capital projects fund is combined into a single, aggregated column. Data for each of these individual non-major funds is provided separately as supplementary information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The District adopts annual budgets for its funds in accordance with statutory requirements. Budgetary comparison statements for the general fund are presented as a major fund has been provided as required supplementary information.

Fiduciary Funds – The District serves as a trustee, or *fiduciary*, for student and related organizations (agency funds) for scholarships established with the District by third-party donors (private-purpose trust funds) and for employee benefit plans (employee benefit trust fund). The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. Fiduciary activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

Notes of Financial Statements

The *notes to financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements follow the basic financial statements.

FINANCIAL ANALYSIS

The District as a Whole

Net Position. Table 1, below, provides a summary of the District's net position for the fiscal year ended June 30, 2020, compared to the prior fiscal year.

Table 1
Condensed Statement of Net Position

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 11,370,877	\$9,194,969
Capital Assets	16,907,042	17,686,554
Total Assets	28,277,919	26,881,523
Deferred Outflows of Resources	5,059,593	6,624,480
Current Liabilities	3,961,348	4,002,057
Long-Term Liabilities	3,639,494	7,457,063
Total Liabilities	7,600,842	11,459,120
Deferred Inflows of Resources	6,856,360	3,513,044
Net Position:		
Net Investment in Capital Assets	15,391,277	14,954,679
Restricted	4,189,553	1,872,146
Unrestricted	(700,520)	1,707,014
Total Net Position	\$ 18,880,310	\$ 18,533,839

A significant portion of the District's net position (81.5%) is its investment in capital assets (e.g. land, buildings, and equipment), less related outstanding debt used to acquire those assets. These assets are used to provide services to students and the community and, consequently, are not available for future spending.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Restricted net position accounts for 22.2% of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20) on its general obligation debt. The restricted net position includes \$1,382,567 for this purpose.

Total liabilities decreased by \$3,858,278 during the year, including a net decrease of \$1,035,155 in outstanding general obligation bonds.

The District's net position increased \$346,471 during the year. The District's unrestricted net position decreased \$2,407,534 to a deficit balance of \$700,520

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2020 and 2019:

Table 2
Change in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,157,838	\$ 2,175,755
Operating Grants and Contributions	2,679,301	2,567,017
General Revenues:		
Property Taxes	8,970,441	8,967,470
General Formula Aid	9,671,567	9,479,749
Other	1,559,899	1,642,362
Total Revenues	25,039,046	24,832,353
 Expenses:		
Instruction	13,244,567	13,507,445
Pupil and Instructional Services	1,944,720	1,912,073
Administration and Business	2,402,496	2,304,070
Operation and Maintenance	3,038,851	3,171,506
Pupil Transportation	849,776	1,056,848
Food Service	1,054,717	1,027,878
Community Services	581,206	725,447
Interest on Debt and Fiscal Fees	107,719	89,056
Other	1,468,523	1,543,952
Total Expenses	24,692,575	25,338,275
 Change in Net Position	\$ 346,471	\$ (505,922)

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

As shown in Table 2, general revenues provided 80.7% of the funding required for governmental activities for fiscal year 2020 with property taxes providing 35.8% of the funding and general formula aid providing 38.6%. Program revenues, consisting of charges for services, grants and contributions, provided 19.3% of the funding. The program revenues were allocated to the expense functions as shown in Table 3.

The District relies primarily on property taxes and general aid to fund governmental activities. School funding regulations restrict the amount by which these two revenue sources, in combination, may be increased. This restriction, called revenue limit, is intended to help hold down increases in property taxes throughout the state. The tax levy for repayment of referendum approved debt is not subject to the revenue limit.

The District's tax levy for the last two fiscal years consisted of the following components:

	2020	2019
Subject to Revenue Limit:		
General Fund	\$ 7,755,037	\$ 7,628,584
Debt Service (Non-Referendum)	179,254	199,936
Not Subject to Revenue Limit:		
Debt Service	932,150	1,034,950
Community Service	104,000	104,000
	\$ 8,970,441	\$ 8,967,470

General aid is paid according to a formula taking into consideration District spending and property values on a per student basis compared to spending and property values for the state as a whole. The District's general aid increased \$191,818 (2.0%) in 2020, from \$9,479,749 in 2019 to \$9,671,567 in 2020.

Table 3 presents the total cost of the major activities: instruction, pupil and instructional services, administration and business, operations and maintenance, pupil transportation, food service, community services, interest and fiscal fees and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

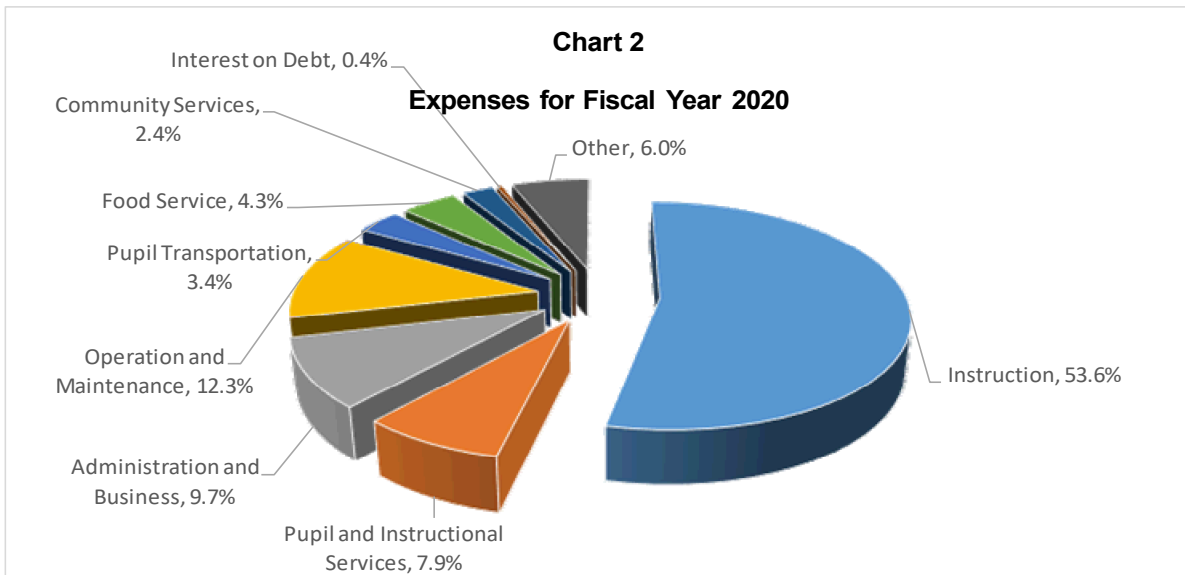
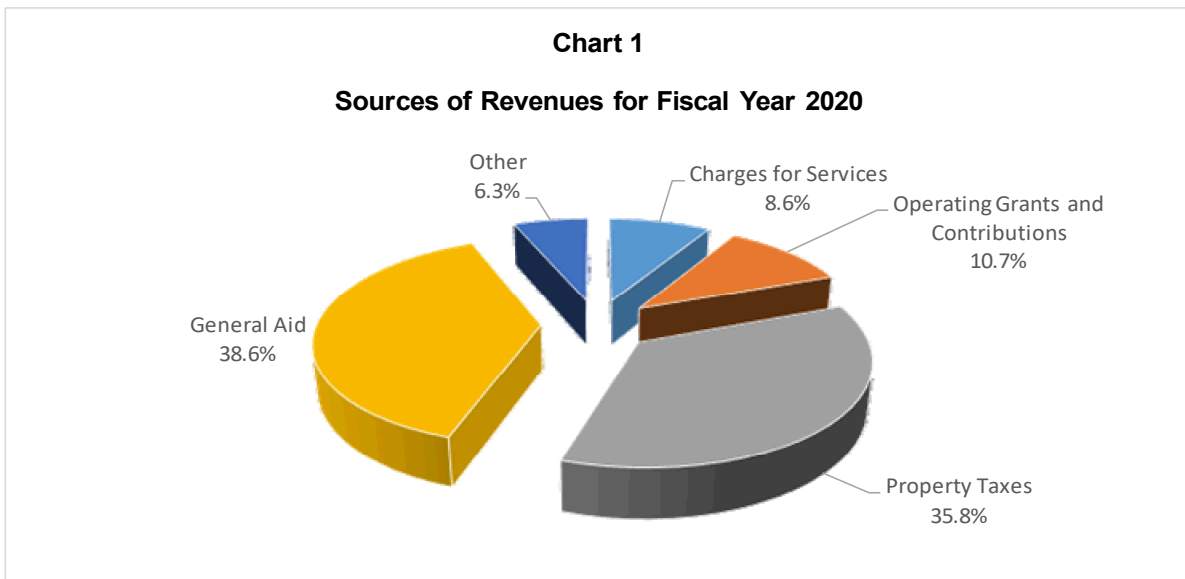
Table 3
Net Cost of Governmental Activities

<u>Expense Functions</u>	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 13,244,567	\$ 10,557,513	\$ 13,507,445	\$ 11,049,176
Pupil and Instructional Services	1,944,720	1,659,208	1,912,073	1,498,789
Administration and Business	2,402,496	2,401,352	2,304,070	2,298,975
Operations and Maintenance	3,038,851	3,038,851	3,171,506	3,171,506
Pupil Transportation	849,776	742,111	1,056,848	904,047
Food Service	1,054,717	65,049	1,027,878	23,210
Community Services	581,206	30,118	725,447	47,194
Interest on Debt and Fiscal Fees	107,719	107,719	89,056	89,056
Other	1,468,523	1,253,515	1,543,952	1,513,550
	\$ 24,692,575	\$ 19,855,436	\$ 25,338,275	\$ 20,595,503

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

- The cost of all governmental activities for the year was \$24,692,575 a decrease of \$645,700.
- Individuals who directly participated or benefited from a program offering paid for \$2,157,838 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,679,301.
- Net cost of governmental activities (\$19,855,436), were financed by general revenues, which are made up primarily of property taxes (\$8,970,441) and general aid (\$9,671,567).

The composition of governmental revenues by source and governmental expenses by function are illustrated in Chart 1 and Chart 2 below.



SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2020 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2020</u>	<u>Balance June 30, 2019</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 3,365,501	\$ 3,326,950	\$ 38,551
Debt Service Fund	1,420,225	1,410,336	9,889
Nonmajor Funds:			
Education Trust	103,652	44,672	58,980
Food Service Fund	242,135	270,370	(28,235)
Community Services Funds:			
Adult Education	(346)	3,712	(4,058)
Theatre	5,204	5,204	-
Day Care	(150,383)	(15,100)	(135,283)
Student Activity Events Fund	180,592	180,548	44
	<u>\$ 5,166,580</u>	<u>\$ 5,226,692</u>	<u>\$ (60,112)</u>

The significant portion of the general fund year-end fund balance was unassigned by the District even though it was used to partially finance the outstanding taxes receivable at that date totaling \$3,293,492 which are paid to the District in August subsequent to the June 30, fiscal year-end.

The balance in the debt service fund is to provide the necessary accumulation of funds for debt retirement needs prior to collection of next year's tax levy.

General Fund Budgetary Highlights

Consistent with current statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of general state aids. The District did not modify its original budget during fiscal year 2020 as shown in the budgetary comparison schedules under *Required Supplementary Information*. The District ended the year with an overall positive budget variance primarily due to actual interdistrict sources being more than budgeted combined with total expenditures being less than budgeted. The main components of these expenditures being regular curriculum and debt service being less than budgeted.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2020, the District had invested over \$38.9 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net decrease of \$292,864 from the previous year. Accumulated depreciation on these assets totaled \$22,003,604.

**Table 4
Capital Assets**

	June 30,		% Change
	2020	2019	
Land	\$ 415,142	\$ 397,371	4.5%
Land Improvements	2,332,536	2,332,536	0.0
Buildings and Improvements	30,239,848	29,917,048	1.1
Furniture and Equipment	5,923,120	5,970,827	-0.8
Subtotal	<u>38,910,646</u>	<u>38,617,782</u>	0.8
Accumulated Depreciation	22,003,604	20,931,228	5.1
Total	<u><u>\$ 16,907,042</u></u>	<u><u>\$ 17,686,554</u></u>	-4.4

- Asset acquisitions during the year totaled \$456,787.
- The District disposed of \$163,923 of capital assets during the year.
- The District recognized depreciation expense of \$1,219,228 during the year.

(More detailed information about capital assets can be found in Note 3.C to the financial statements.)

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Long-Term Obligations

At year-end, the District had over \$1.5 million in general obligation bonds outstanding. The District also had other long-term obligations outstanding of approximately \$1.7 million (see Table 5).

General obligation debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for use for annual debt service payments.

**Table 5
Outstanding Long-Term Obligations**

	June 30,		% Change
	2020	2019	
Long-Term Debt			
General Obligation Bonds	\$ 1,555,195	\$ 2,590,350	-40.0%
Capital Leases	353,833	610,792	-42.1%
Other Long-Term Obligations			
Bond Premiums	3,120	17,910	-82.6
Bond Discounts	(1,383)	(2,177)	-36.5
Other Postemployment Benefits	1,058,071	1,166,032	-9.3
Compensated Absences	670,658	544,438	23.2
WRS Pension Liability	-	2,529,718	-100.0%
Total	<u>\$ 3,639,494</u>	<u>\$ 7,457,063</u>	-51.2

- The District retired \$1,035,155 of outstanding general obligation debt during the year.

(More detailed information about the District's long-term obligations is presented in Note 3.E to the financial statements.)

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

- The District's enrollment and property values are declining.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Andrew Dyb, Business Manager, School District of Amery, 543 Minneapolis Avenue South, Amery, Wisconsin 54001.

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Investments	\$ 5,260,240
Taxes Receivable	3,293,492
Accounts Receivable	64,081
Due from Other Governments	415,688
Prepaid Expenses	56,769
Wisconsin Retirement System Net Pension Asset	2,280,607
Capital Assets:	
Capital Assets Not Being Depreciated	415,142
Capital Assets Being Depreciated	38,495,504
Accumulated Depreciation	<u>(22,003,604)</u>
Total Assets	28,277,919
DEFERRED OUTFLOWS OF RESOURCES	
Other Post Employment Benefits Pension Related	61,192
Wisconsin Retirement System Pension Related	<u>4,998,401</u>
Total Deferred Outflows of Resources	5,059,593
LIABILITIES	
Short-Term Notes Payable	2,000,000
Accrued Interest Payable	37,658
Payroll Taxes and Withholdings	1,889,074
Unearned Revenue	34,616
Long-Term Liabilities:	
Amounts Due Within One Year	1,423,990
Amounts Due In More than One Year	1,157,433
Other Post Employment Benefits Liability	<u>1,058,071</u>
Total Liabilities	7,600,842
DEFERRED INFLOWS OF RESOURCES	
Other Post Employment Benefits Pension Related	25,989
Wisconsin Retirement System Pension Related	<u>6,830,371</u>
Total Inflows of Resources	6,856,360
NET POSITION	
Net Investment in Capital Assets	15,391,277
Restricted for:	
Debt Service	1,382,567
Capital Projects	180,592
Education Trust	103,652
Food Service	242,135
Wisconsin Retirement System Net Pension Asset	2,280,607
Unrestricted	<u>(700,520)</u>
Total Net Position	<u><u>\$ 18,880,310</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Primary Government				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 9,550,336	\$ 913,887	\$ 574,155	\$ (8,062,294)
Vocational Instruction	798,267	77,184	256,891	(464,192)
Special Instruction	2,118,853	-	794,040	(1,324,813)
Other Instruction	777,111	68,897	2,000	(706,214)
Total Instruction	<u>13,244,567</u>	<u>1,059,968</u>	<u>1,627,086</u>	<u>(10,557,513)</u>
Support Services:				
Pupil Services	981,443	-	80,690	(900,753)
Instructional Staff Services	963,277	-	204,822	(758,455)
General Administration Services	1,219,114	-	1,144	(1,217,970)
Building Administration Services	910,054	-	-	(910,054)
Business Services	273,328	-	-	(273,328)
Operation and Maintenance of Plant	3,038,851	-	-	(3,038,851)
Pupil Transportation Services	849,776	747	106,918	(742,111)
Food Service	1,054,717	344,372	645,296	(65,049)
Central Services	139,481	-	240	(139,241)
Insurance and Judgments	281,017	-	-	(281,017)
Interest and Fiscal Fees	107,719	-	-	(107,719)
Other Support Services	315,171	201,663	13,105	(100,403)
Community Services	581,206	551,088	-	(30,118)
Depreciation - Unallocated	732,854	-	-	(732,854)
Total Support Services	<u>11,448,008</u>	<u>1,097,870</u>	<u>1,052,215</u>	<u>(9,297,923)</u>
Total Primary Government	<u>\$ 24,692,575</u>	<u>\$ 2,157,838</u>	<u>\$ 2,679,301</u>	<u>(19,855,436)</u>
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,755,037
Property Taxes, Levied for Debt Purposes				1,111,404
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				15,511
State and Federal Aids Not Restricted to Specific Functions:				
General				9,671,567
Other				1,246,479
Interest and Investment Earnings				18,843
Miscellaneous				279,066
Total General Revenues				<u>20,201,907</u>
Change in Net Position				346,471
Net Position - Beginning of Year				<u>18,533,839</u>
Net Position - End of Year				<u>\$ 18,880,310</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 3,649,614	\$ 1,120,225	\$ 490,401	\$ 5,260,240
Taxes Receivable	3,293,492	-	-	3,293,492
Accounts Receivable	5,396	-	58,685	64,081
Due from Other Governments	343,111	-	72,577	415,688
Due from Other Governmental Funds	206,193	409,340	-	615,533
Prepaid Expenses	56,769	-	-	56,769
Total Assets	<u>\$ 7,554,575</u>	<u>\$ 1,529,565</u>	<u>\$ 621,663</u>	<u>\$ 9,705,803</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Short-Term Notes Payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Payroll Taxes and Withholdings	1,889,074	-	-	1,889,074
Due to Other Governmental Funds	300,000	109,340	206,193	615,533
Unearned Revenues	-	-	34,616	34,616
Total Liabilities	<u>4,189,074</u>	<u>109,340</u>	<u>240,809</u>	<u>4,539,223</u>
FUND BALANCES				
Nonspendable	56,769	-	-	56,769
Restricted	-	1,420,225	531,237	1,951,462
Assigned	584,245	-	-	584,245
Unassigned	2,724,487	-	(150,383)	2,574,104
Total Fund Balances	<u>3,365,501</u>	<u>1,420,225</u>	<u>380,854</u>	<u>5,166,580</u>
Total Liabilities and Fund Balances	<u>\$ 7,554,575</u>	<u>\$ 1,529,565</u>	<u>\$ 621,663</u>	<u>\$ 9,705,803</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total Fund Balances - Governmental Funds \$ 5,166,580

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital Assets	\$ 38,910,646	
Accumulated Depreciation	<u>(22,003,604)</u>	16,907,042

Wisconsin Retirement System Pension Plan:

The District's net pension plan liability (asset) and related deferred inflows and outflows are recorded only on the statement of net position.

Balances at year-end are:

Net Pension Asset	2,280,607	
Deferred Outflows of Resources - Pension Related	4,998,401	
Deferred Inflows of Resources - Pension Related	<u>(6,830,371)</u>	448,637

Other Post Employment Benefit and Supplemental Pension Plan:

The District's pension liability and related deferred inflows and outflows are recorded only on the statement of net position.

Balances at year-end are:

Net OPEB Liability	(1,058,071)	
Deferred Outflows of Resources - OPEB Related	61,192	
Deferred Inflows of Resources - OPEB Related	<u>(25,989)</u>	(1,022,868)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General Obligation Debt	1,555,195	
Capital Leases Payable	353,833	
Accrued Interest Payable on Long-Term Debt	37,658	
Vested Employee Benefits	<u>670,658</u>	(2,617,344)

The premium and discount on debt issued is deferred in the statement of net position and amortized over the life of the related debt.

In the governmental funds the premium is considered an other financing source when received

(1,737)

Net Position of Governmental Activities **\$ 18,880,310**

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 7,755,037	\$ 1,111,404	\$ 104,000	\$ 8,970,441
Other Local Sources	348,776	471	987,626	1,336,873
Interdistrict Sources	984,480	-	-	984,480
Intermediate Sources	139,103	-	-	139,103
State Sources	12,157,849	-	21,312	12,179,161
Federal Sources	633,788	-	645,296	1,279,084
Other Sources	149,904	-	-	149,904
Total Revenues	<u>22,168,937</u>	<u>1,111,875</u>	<u>1,758,234</u>	<u>25,039,046</u>
EXPENDITURES				
Instruction:				
Regular Instruction	9,316,856	-	28,337	9,345,193
Vocational Instruction	791,193	-	-	791,193
Special Instruction	2,109,082	-	-	2,109,082
Other Instruction	766,309	-	3,956	770,265
Support Services:				
Pupil Services	972,644	-	-	972,644
Instructional Staff Services	956,084	-	-	956,084
General Administration	940,526	-	218,778	1,159,304
School Building Administration	896,792	-	-	896,792
Business Services	269,551	-	-	269,551
Operation and Maintenance of Plant	3,272,189	-	-	3,272,189
Pupil Transportation Services	826,738	-	-	826,738
Food Service	-	-	1,039,215	1,039,215
Central Services	82,172	-	-	82,172
Insurance and Judgments	281,017	-	-	281,017
Debt Service	307,965	1,101,986	-	1,409,951
Other Support Services	341,268	-	-	341,268
Community Services	-	-	576,500	576,500
Total Expenditures	<u>22,130,386</u>	<u>1,101,986</u>	<u>1,866,786</u>	<u>25,099,158</u>
NET CHANGE IN FUND BALANCES	38,551	9,889	(108,552)	(60,112)
Fund Balances - Beginning of Year	<u>3,326,950</u>	<u>1,410,336</u>	<u>489,406</u>	<u>5,226,692</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,365,501</u>	<u>\$ 1,420,225</u>	<u>\$ 380,854</u>	<u>\$ 5,166,580</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (60,112)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 456,787	
Depreciation Expense Reported in the Statement of Activities	<u>(1,219,228)</u>	(762,441)

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

The gain (loss) on disposal of capital assets during the year is: (17,071)

Wisconsin Retirement System Pension Asset:

Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.		10,083
---	--	--------

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is: 1,292,114

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues:

Interest Paid During the Current Period	84,803	
Interest Accrued During the Current Period	<u>(88,681)</u>	(3,878)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Amortization of Debt Premium	14,790	
Amortization of Debt Discount	(794)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>(126,220)</u>	<u>(112,224)</u>

Change in Net Position of Governmental Activities \$ 346,471

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and Investments Held By Fiscal Agent	\$ 657,620	\$ 1,711	\$ 166,834
LIABILITIES			
Accounts Payable	-	-	130
Due to Student Organizations	-	-	166,704
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 166,834</u>
NET POSITION			
Restricted	<u>\$ 657,620</u>	<u>\$ 1,711</u>	

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Local Sources:		
Interest	\$ 10,780	\$ 1,884
Contributions Other Post Employment Benefit Plan	233,847	-
Total Additions	<u>244,627</u>	<u>1,884</u>
DEDUCTIONS		
Scholarships Awarded	-	170,381
Benefit Payments	222,712	-
Total Deductions	<u>222,712</u>	<u>170,381</u>
CHANGE IN NET POSITION	21,915	(168,497)
Net Position - Beginning of Year	<u>635,705</u>	<u>170,208</u>
NET POSITION - END OF YEAR	<u><u>\$ 657,620</u></u>	<u><u>\$ 1,711</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The School District of Amery is organized as a common school district. The District, governed by a five member elected school board, operates grades PK through twelve and is comprised of all or parts of twelve taxing districts.

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

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

C. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

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

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District has the following major governmental funds:

General Fund

The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the District reports the following fiduciary funds:

Private-Purpose Fund

The Private-Purpose Fund is used to account for assets held by the District in a trustee capacity for individuals, private organizations and for other governmental units, including scholarship funds.

Employee Benefit Trust Fund

The Employee Benefit Trust Fund is used to account for resources held in trust for formally established employee benefit plans.

Agency Fund

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency funds do not have a measurement focus.

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

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity

1. Deposits and Investments

Investments of the District are stated at fair value. The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are included in trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

2. Receivables and Payables

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes that are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

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

3. Inventories and Prepaid Items

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market and recorded as an expenditure when consumed rather than when purchased.

4. Capital Assets

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity (Continued)

4. Capital Assets (Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	NA
Land Improvements	5,000	Straight-Line	20 Years
Buildings	5,000	Straight-Line	50 Years
Building Improvements	5,000	Straight-Line	7 - 30 Years
Furniture and Equipment	5,000	Straight-Line	5 - 20 Years
Vehicles	5,000	Straight-Line	8 Years
Textbooks, Library, and Media*	5,000	Straight-Line	5 - 7 Years

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

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred outflows of resources for other post-employment benefit and pension related items.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that apply to a future period as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred inflows of resources for other post-employment benefit and pension related items.

7. Compensated Absences

It is the District's policy to permit certain employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the District's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 4.C.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

8. Other Postemployment Benefits Payable

Under the provisions of various employee and union contracts the District provides a retirement program for certain employees which include certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded from an employee benefit trust fund (see Note 4.E). The benefit accrual was actuarially determined.

9. Wisconsin Retirement System Pension Benefits

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.

10. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

11. Use of Restricted Resources

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

12. Equity Classifications

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

Government-Wide Statements.

Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements.

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

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain unassigned portion of fund balance for cash flow of at least 5% of annual general fund expenditures.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In the general fund expenditures exceeded the budgeted amount for expenditures as shown below:

EXPENDITURES	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Instruction:				
Regular Curriculum	\$ 3,936,286	\$ 3,936,286	\$ 4,019,913	\$ (83,627)
Vocational Curriculum	789,741	789,741	791,193	(1,452)
Physical Curriculum	431,041	431,041	431,543	(502)
Special Education Curriculum	1,904,805	1,904,805	1,956,474	(51,669)
Support Services:				
Pupil Services	955,418	955,418	972,644	(17,226)
General Administration	672,644	672,644	940,526	(267,882)
Central Services	71,649	71,649	82,172	(10,523)
Insurance and Judgments	179,800	179,800	281,017	(101,217)
Non-Program:				
Purchased Instructional Services	1,361,538	1,361,538	1,381,581	(20,043)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

The District's cash and investments balances at June 30, 2020 were shown in the financial statements as follows:

Governmental Funds	\$ 5,260,240
Fiduciary Funds:	
Employee Benefit Trust Funds	657,620
Private Purpose Trust Funds	1,711
Agency Funds	166,834
Total	<u>\$ 6,086,405</u>

The above balances at June 30, 2020 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State	
Depository Coverage	\$ 5,428,585
Deposits with Fiscal Agent (Employee Benefit Trust Funds)	657,620
Non-Depository Petty Cash Funds	200
Total	<u>\$ 6,086,405</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits.

Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2020, the District's deposits were not exposed to custodial credit risk.

Deposits in Repurchase Investment Sweep Account

The District has invested funds in government securities through and an overnight repurchase investment sweep account. After all debit and credit transactions have posted at the end of each business day, excess balances are automatically moved to the automated repurchase investment sweep account for overnight investment in government securities to maximize the use of idle funds. Interest is earned on a daily basis and withdrawals are generally available on the day of the request. Deposits in repurchase investment sweep account are not covered by federal depository insurance but are collateralized at 100% of the market value. The financial institution is acting as the agent and serves as custodian of the securities held as collateral for the District.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2020 consisted of deposits in the following external investment pool, an investment with a fiscal agent:

Investment with Fiscal Agent

The deposits with fiscal agent consisted of amounts paid into the employee benefit trust fund (see Note 4.B and Note 4.C) and are comprised of amounts invested in non-registered fixed annuity accounts. These funds (\$635,705) are held at MidAmerica. The investment is neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed Note 1.E.1. The District does not have a concentration risk policy that would restrict the percentage of investment holdings that can be in one issuer or counterparty.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The daily maturities of the investment in Mid-American mitigate this risk to the District.

B. Fair Value Measurements

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

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fair Value Measurements (Continued)

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

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

	Level 1	Level 2	Level 3	Total
Fixed Annuity	\$ -	\$ 657,620	\$ -	\$ 657,620

C. Capital Assets

Changes in the capital assets for the year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 397,371	\$ 34,842	\$ (17,071)	\$ 415,142
Capital Assets, Being Depreciated				
Land Improvements	2,332,536	-	-	2,332,536
Buildings and Improvements	29,917,048	322,800	-	30,239,848
Furniture and Equipment	5,970,827	99,145	(146,852)	5,923,120
Total Capital Assets, Being Depreciated	38,220,411	421,945	(146,852)	38,495,504
Accumulated Depreciation for				
Land Improvements	1,815,447	60,266	-	1,875,713
Buildings and Improvements	15,221,581	703,163	-	15,924,744
Furniture and Equipment	3,894,200	455,799	(146,852)	4,203,147
Total Accumulated Depreciation	20,931,228	1,219,228	(146,852)	22,003,604
Total Capital Assets, Being Depreciated, Net	17,289,183	(797,283)	-	16,491,900
Governmental Activities				
Capital Assets, Net	\$ 17,686,554	\$ (762,441)	\$ (17,071)	\$ 16,907,042

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Instruction:

Regular Instruction	\$ 187,630
Vocational Instruction	1,192
Special Instruction	423
Other Instruction	3,447

Support Services:

Instructional Staff Services	622
General Administrative Services	55,858
Operation and Maintenance of Plant	72,567
Pupil Transportation Services	118,858
Food Service	8,981
Central Services	53,867
Unallocated Depreciation	715,783
Total Depreciation for Governmental Activities	<u>\$ 1,219,228</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2020 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Day Care Community Service Fund	\$ 204,278	Settlement of Cash Deficit Balance
General Fund	Adult Education Community Service Fund	1,915	Settlement of Cash Deficit Balance
Referendum Debt Service Fund	Non-Referendum Debt Service Fund	109,340	Reclass Payment on GO Refunding Bonds to Correct Fund
Referendum Debt Service Fund	General Fund	300,000	Reclass Payment on GO Refunding Bonds to Correct Fund
		<u>\$ 615,533</u>	

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2020 were as follows:

	Balances July 1, 2019	Additions	Reductions	Balances June 30, 2020	Amounts Due Within One Year
General Obligation Bonds	\$ 2,280,000	\$ -	\$ 980,000	\$ 1,300,000	\$ 1,000,000
General Obligation Notes	310,350	-	55,155	255,195	57,433
Bond Premiums	17,910	-	14,790	3,120	-
Bond Discounts	(2,177)	-	(794)	(1,383)	-
Capital Leases	610,792	-	256,959	353,833	240,006
Compensated Absences	544,438	126,220	-	670,658	126,551
	<u>\$ 3,761,313</u>	<u>\$ 126,220</u>	<u>\$ 1,306,110</u>	<u>\$ 2,581,423</u>	<u>\$ 1,423,990</u>

The District's estimated liabilities for compensated absences are discussed in Note 4.C.

General Obligation Debt

Individual general obligation long-term debt issues outstanding at June 30, 2020 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
General Obligation Bonds:					
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	\$ 1,035,000	\$ 395,000
Refunding Bonds	8/3/15	10/1/20	2.00% - 3.00%	\$ 5,920,000	905,000
General Obligation Notes:					
GO Loan	09/07/2018	08/30/24	4.00%	\$ 355,000	255,195
					<u>\$ 1,555,195</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,057,433	\$ 38,374	\$ 1,095,807
2022	154,773	18,422	173,195
2023	162,208	11,596	173,804
2024	169,738	4,299	174,037
2025	11,043	55	11,098
Total	<u>\$ 1,555,195</u>	<u>\$ 72,746</u>	<u>\$ 1,627,941</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,004,185,219. The legal debt limit and margin of indebtedness as of June 30, 2020 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$1,004,185,219)	\$ 100,418,522
Deduct Long-Term Debt Applicable to Debt Margin	1,555,195
Margin of Indebtedness	<u>\$ 98,863,327</u>

Capital Lease Payable

At June 30, 2020, the District had seven capital lease obligations outstanding. A lease dated July 1, 2015 was entered into for the purchase of a telephone system. A lease dated September 30, 2016 is for the purchase of District iPads for student use. A lease dated July 1, 2017 is for the purchase of conference room monitors and mobile carts. A lease dated June 15, 2017 for the purchase of wireless access points. A lease dated July 7, 2017 for the purchase of IT security and firewall. A lease dated August 1, 2018 for the purchase of computers for student use. A lease dated July 15, 2018 for the purchase of District iPads for student use. The present value of the lease payments at June 30, 2020 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2021	240,006
2022	134,687
Total Minimum Lease Payments	374,693
Less: Amount Representing Interest	20,860
Present Value Net Minimum Lease Payments	<u>\$ 353,833</u>

F. Temporary Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2020 were as follows:

Principal Outstanding at 7/1/19	Loan Proceeds	Repayments	Principal Outstanding at 6/30/20	Accrued Interest 6/30/20	Interest Expense	Interest Rate	Maturity Date
\$ 2,000,000	\$ 11,200,000	\$ 11,200,000	\$ 2,000,000	\$ -	\$ 23,565	3.25%	10/31/20

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$2,000,000. Any outstanding balance on the line of credit is secured by tax receipts sufficient for repayment. The temporary notes payable is for short-term cash flow purposes.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Temporary Notes Payable (Continued)

On October 26, 2020, the District renewed the line of credit with a maximum draw limit of \$2,000,000. The renewed line of credit accrues interest at 3.25% and expires on October 31, 2021.

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2020 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds					
General Fund:					
Prepaid Items	\$ 56,769	\$ 56,769	\$ -	\$ -	\$ -
Assigned - CTE Project	584,245	-	-	584,245	-
Unassigned	2,724,487	-	-	-	2,724,487
Subtotal General Fund	3,365,501	56,769	-	584,245	2,724,487
Debt Service Payments	1,420,225	-	1,420,225	-	-
Nonmajor Funds					
Special Revenue Funds:					
Education Trust Purposes	103,652	-	103,652	-	-
Food Service Purposes	242,135	-	242,135	-	-
Long-Term Capital Projects	180,592	-	180,592	-	-
Community Services Programs:					
Adult Education Purposes	(346)	-	(346)	-	-
Theatre Purposes	5,204	-	5,204	-	-
Day Care Purposes	(150,383)	-	-	-	(150,383)
Subtotal Nonmajor Funds	380,854	-	531,237	-	(150,383)
 Total Governmental Funds Balances at June 30, 2020	 <u>\$ 5,166,580</u>	 <u>\$ 56,769</u>	 <u>\$ 1,951,462</u>	 <u>\$ 584,245</u>	 <u>\$ 2,574,104</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issued a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective 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 earning and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	10.0
2020	1.7	21.0

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

During the District's fiscal year reporting period July 1, 2019 through June 30, 2020, the WRS recognized \$736,656 in contributions from the employer.

Contribution rates as of June 30, 2020 are:

	2020	
	Employee	Employer
General (Including Teachers)	6.75%	6.75%

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At June 30, 2020, the District reported an asset of \$2,280,607 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2019, the District's proportion was 0.07072844% percent, which was a decrease of 0.00037728% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$879,865. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,329,115	\$ 2,166,432
Change in Assumptions	177,719	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,662,373
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	14,935	1,566
District Contributions Subsequent to the Measurement Date	476,632	-
Total	\$ 4,998,401	\$ 6,830,371

\$476,632 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Pension Expense Amount
2021	\$ (679,208)
2022	(510,939)
2023	81,097
2024	(1,199,552)
2025	-
Thereafter	-

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Inflation:	2.0% to 2.7% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases:	3.2% to 8.8% including inflation
Net Investment Rate of Return:	5.5%
Weighted based on assumed rate for:	
Retired Participants	5.0%
Post-Retirement Active Participants	5.0%
Pre-Retirement Active Participants	7.2%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014. WRS experience projected to 2017 with scale BB
Mortality:	

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	N/A	N/A	70.0%	4.6%
International Equity	N/A	N/A	30.0%	4.9%
Equities	50%	5.3%	N/A	N/A
Fixed Income	25%	1.4%	N/A	N/A
Inflation Sensitive Assets	15%	1.0%	N/A	N/A
Real Estate	8%	3.6%	N/A	N/A
Private Equity/Debt	8%	6.5%	N/A	N/A
Multi-Asset	4%	3.6%	N/A	N/A
Cash	-10%	0.9%	N/A	N/A
Totals	<u>100.0%</u>		<u>100.0%</u>	

Discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71% (Source: Fixed income municipal bonds with 20-years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,872,972	\$ (2,280,607)	\$ (8,376,346)

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

B. Other Postemployment Benefit Other than Pensions (OPEB)

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

Single-Employer Plan Description

The District offers a supplemental retirement program for certain employees which includes medical, dental, and long-term care insurance benefits. The District provides these benefits according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. The School Board of the District is designated as the administrator of the OPEB plan and it reserves the right to alter, amend, or terminate the OPEB at any time for any reason, without consent.

Benefits Provided

Administrators and Teachers: At least age 56 with a minimum of 15 years of service and hired prior to July 1, 2004. The District shall contribute \$9,000 annually to retirees Premium Only HRA for 8 years or until Medicare eligibility; whichever occurs first.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Benefits Provided (Continued)

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

Inactive plan members or beneficiaries currently receiving benefit payments	25
Active plan members	156
	181

Contributions

Per the District's Trust Agreement the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June, 30, 2020, the District's average contribution rate was 3.22 percent of covered-employee payroll.

Investments

Investment policy. The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. The District's asset allocation policy as of June 30, 2020 was comprised entirely of fixed annuity investments.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return, net of investment expense, was 3.42 percent.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 1,715,691
Plan Fiduciary Net Position - Ending (b)	657,620
	\$ 1,058,071
District's Net OPEB Liability - Ending (a) - (b)	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	38.33%

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Amount
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Inflation	2.00%
Salary Increases:	3.00%
Investment Rate of Return	2.25%
Discount Rate	2.25%
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 (30 or more years of service)
Assumed Rate of Return on Plan Assets	2.25%
Plan Participation of Future Retirees	100%
Mortality	Wisconsin 2012 Mortality Table
Healthcare Cost Trend Rates	7.50% decreasing 0.5% per year to 6.5%, then by .1% to 5.0% thereafter

The long-term expected rate of return on OPEB plan investments was determined based on the District's investment in a fixed annuity account which has a guaranteed minimum rate of return of not less than 2.25 percent. Given this information and based upon the actuary's determination that the level of asset in the District's trust will remain sufficient to pay future retiree benefits, the District determined a 2.25 percent long-term expected rate of return to be reasonable for valuation purposes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Annuity	100%	2.25%

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Further, the discount rate was determined by looking at actual investment returns for the last three years and take the rounded average, therefore a discount rate of 2.25 percent was used in calculating the District's OPEB liabilities.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2019	\$ 1,801,737	\$ 635,705	\$ 1,166,032
Changes for the Year:			
Service Cost	51,355	-	51,355
Interest	60,062	-	60,062
Changes of Assumptions or Other Input	25,249	-	25,249
Contributions - Employer	-	233,847	(233,847)
Net Investment Income	-	10,780	(10,780)
Benefit Payments	(222,712)	(222,712)	-
Net Changes	(86,046)	21,915	(107,961)
Balances at June 30, 2020	<u>\$ 1,715,691</u>	<u>\$ 657,620</u>	<u>\$ 1,058,071</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 1,767,692	\$ 1,715,691	\$ 1,663,585
Less: Fiduciary Net Position	657,620	657,620	657,620
Net OPEB Liability	<u>\$ 1,110,072</u>	<u>\$ 1,058,071</u>	<u>\$ 1,005,965</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	\$ 1,697,002	\$ 1,715,691	\$ 1,737,107
Less: Fiduciary Net Position	657,620	657,620	657,620
Net OPEB Liability	<u>\$ 1,039,382</u>	<u>\$ 1,058,071</u>	<u>\$ 1,079,487</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$98,190. At June 30, 2020, District reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 14,713
Changes of Assumptions or Other Input	38,260	11,276
Net Difference Between Projected and Actual Earnings on OPEB Investments	22,932	-
Total	<u>\$ 61,192</u>	<u>\$ 25,989</u>

These deferred outflows and inflows of resources will be recognized in OPEB expense as an increase of \$9,218 for years 2021-2022, an increase of \$6,724 for year 2023, an increase of \$3,853 for year 2024, an increase of \$1,520 for year 2025, and an increase of \$4,670 thereafter.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Compensated Absences

The District's policy on allowing accumulated employee leave to vest varies between types of benefits. Associate staff earn varying amounts of vacation for each year employed. Vacation days must be used in the year earned unless approval is obtained from the District administrator to carry over vacation days to the next year.

The District's policy on allowing sick leave benefits to vest is based upon employee and union contracts. Teachers who meet certain age and length of service requirement and have accumulated at least 100 days of unused sick days will have their unused sick days vested at the current substitute pay rate. This amount will be contributed by the District toward the cost of health benefits for the retired teacher.

The District also provides associate staff retirees who meet certain age and length of service requirement, a cash payout of their unused sick leave at a rate of \$90 per day. The District's estimated liability for vacation and sick leave benefits at June 30, 2020 totaled \$670,658 and is financed through the District's annual operating budget on a pay-as-you-go basis. It was recorded as a long-term obligation in the government-wide financial statements.

D. Employee Benefit Fund

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's early retirement benefit obligations (see Note 4.A). The District contributed \$233,847 during 2019-20. The employee benefit trust fund had net position of \$657,620 at June 30, 2020.

E. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue. This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Risk Management

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

G. Contingencies

During the year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,755,037	\$ 7,755,037	\$ 7,755,037	\$ -
Other Local Sources	619,634	619,634	348,776	(270,858)
Interdistrict Sources	935,517	935,517	984,480	48,963
Intermediate Sources	65,184	65,184	139,103	73,919
State Sources	12,203,214	12,203,214	12,157,849	(45,365)
Federal Sources	682,789	682,789	633,788	(49,001)
Other Sources	71,500	71,500	149,904	78,404
Total Revenues	<u>22,332,875</u>	<u>22,332,875</u>	<u>22,168,937</u>	<u>(163,938)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	4,134,536	4,134,536	3,982,946	151,590
Regular Curriculum	3,936,286	3,936,286	4,019,913	(83,627)
Vocational Curriculum	789,741	789,741	791,193	(1,452)
Physical Curriculum	431,041	431,041	431,543	(502)
Special Education Curriculum	1,904,805	1,904,805	1,956,474	(51,669)
Co-Curricular Activities	353,600	353,600	334,766	18,834
Other Special Needs	98,918	98,918	85,024	13,894
Total Instruction	<u>11,648,927</u>	<u>11,648,927</u>	<u>11,601,859</u>	<u>47,068</u>
Support Services:				
Pupil Services	955,418	955,418	972,644	(17,226)
Instructional Staff Services	1,011,881	1,011,881	956,084	55,797
General Administration	672,644	672,644	940,526	(267,882)
School Building Administration	943,824	943,824	896,792	47,032
Business Administration	4,386,978	4,386,978	4,371,653	15,325
Central Services	71,649	71,649	82,172	(10,523)
Insurance and Judgments	179,800	179,800	281,017	(101,217)
Debt Services	607,074	607,074	307,965	299,109
Other Support Services	481,540	481,540	335,037	146,503
Total Support Services	<u>9,310,808</u>	<u>9,310,808</u>	<u>9,143,890</u>	<u>166,918</u>
Non-Program:				
Purchased Instructional Services	1,361,538	1,361,538	1,381,581	(20,043)
Other Non-Program	29,002	29,002	3,056	25,946
Total Non-Program	<u>1,390,540</u>	<u>1,390,540</u>	<u>1,384,637</u>	<u>5,903</u>
Total Expenditures	<u>22,350,275</u>	<u>22,350,275</u>	<u>22,130,386</u>	<u>219,889</u>
NET CHANGE IN FUND BALANCE	(17,400)	(17,400)	38,551	55,951
Fund Balance, Beginning of Year	<u>3,326,950</u>	<u>3,326,950</u>	<u>3,326,950</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,309,550</u>	<u>\$ 3,309,550</u>	<u>\$ 3,365,501</u>	<u>\$ 55,951</u>

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN FISCAL YEARS
(Schedule is presented prospectively from implementation)

Measurement date as of December, 31	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)	0.07564503%	0.07381274%	0.07247229%	0.07140412%	0.07110572%	0.07072844%
District's proportionate share of the net pension liability (asset)	\$ (1,858,049)	\$ 1,199,443	\$ 597,345	\$ (2,120,073)	\$ 2,529,718	\$ (2,280,607)
District's covered employee payroll	\$ 10,375,540	\$ 10,210,179	\$ 10,324,757	\$ 10,541,054	\$ 10,910,911	\$ 11,246,551
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-17.91%	11.75%	5.79%	-20.11%	23.19%	-20.28%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	92.20%	99.12%	102.93%	96.45%	102.96%

*The amounts presented for each fiscal year were determined as of a measurement date of 12/31 that occurred within the fiscal year.

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(Schedule is presented prospectively from implementation)

Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 709,889	\$ 686,989	\$ 691,268	\$ 716,795	\$ 823,833	\$ 750,079
Contributions in Relation to the Contractually Required Contributions	(709,889)	(686,989)	(691,268)	(716,795)	(823,833)	(750,079)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 10,290,643	\$ 10,258,158	\$ 10,313,690	\$ 10,745,626	\$ 12,453,384	\$ 11,235,977
Contributions as a Percentage of Covered Employee Payroll	6.90%	6.70%	6.70%	6.67%	6.62%	6.68%

Changes of Benefit Terms.

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

Changes of Assumptions.

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

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS
(Schedule is presented prospectively from implementation)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability:				
Service Cost	\$ 61,392	\$ 61,392	\$ 59,043	\$ 51,355
Interest	70,373	67,084	67,966	60,062
Differences Between Expected and Actual Experience	-	-	(19,617)	-
Changes of Assumptions or Other Input	-	(16,913)	21,558	25,249
Benefit Payments	<u>(242,427)</u>	<u>(209,022)</u>	<u>(220,257)</u>	<u>(222,712)</u>
Net Change in Total OPEB Liability	(110,662)	(97,459)	(91,307)	(86,046)
Total OPEB Liability - Beginning	2,101,165	1,990,503	1,893,044	1,801,737
Total OPEB Liability - Ending (a)	<u>\$ 1,990,503</u>	<u>\$ 1,893,044</u>	<u>\$ 1,801,737</u>	<u>\$ 1,715,691</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 175,428	\$ 220,847	\$ 231,839	\$ 233,847
Net Investment Income	9,674	8,561	8,928	10,780
Benefit Payments	<u>(242,427)</u>	<u>(209,022)</u>	<u>(220,257)</u>	<u>(222,712)</u>
Net Change in Plan Fiduciary Net Position	(57,325)	20,386	20,510	21,915
Plan Fiduciary Net Position - Beginning	652,134	594,809	615,195	635,705
Plan Fiduciary Net Position - Ending (b)	<u>\$ 594,809</u>	<u>\$ 615,195</u>	<u>\$ 635,705</u>	<u>\$ 657,620</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 1,395,694</u>	<u>\$ 1,277,849</u>	<u>\$ 1,166,032</u>	<u>\$ 1,058,071</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.88%	32.50%	35.28%	38.33%
Covered Employee Payroll	\$ 5,900,977	\$ 5,900,977	\$ 7,253,891	\$ 7,253,891
District's Net OPEB Liability as a Percentage of Covered Employee Payroll	23.65%	21.65%	16.07%	14.59%

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OTHER POSTEMPLOYMENT
BENEFITS PLAN
LAST TEN FISCAL YEARS
(Schedule is presented prospectively from implementation)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution (ADC)	\$ 178,077	\$ 178,077	\$ 239,680	\$ 221,690
Contributions in Relation to the Actuarially Determined Contribution	175,428	220,847	231,839	233,847
Contribution Deficiency (Excess)	<u>\$ 2,649</u>	<u>\$ (42,770)</u>	<u>\$ 7,841</u>	<u>\$ (12,157)</u>
District's Covered Employee Payroll	\$ 5,900,977	\$ 5,900,977	\$ 7,253,891	\$ 7,253,891
Contributions as a Percentage of Covered Employee Payroll	2.97%	3.74%	3.20%	3.22%

Notes to Schedule

Valuation Dated: July 1, 2019

Measurement Dated: June 30, 2020

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuary Cost Method:	Entry Age Normal
Amortization Method:	17 Year Level Dollar
Asset Valuation Method:	Market Value
Discount Rate:	2.25%
Inflation:	2.00%
Healthcare Cost Trend Rates	7.50% decreasing 0.50% per year to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter
Salary Increases:	3.00%
Investment Rate of Return:	3.50%
Plan Participation:	100% of future retirees
Mortality:	Wisconsin 2012 Mortality Table

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF DISTRICT'S INVESTMENT RETURNS ON OPEB PLAN ASSETS
LAST TEN FISCAL YEARS
(Schedule is presented prospectively from implementation)

Annual Money-Weighted Rate of Return,
Net of Investment Expense

<u>Year</u>	
2017	3.44%
2018	3.45%
2019	3.68%
2020	3.42%

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

BUDGETARY INFORMATION

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

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

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2020

	Original Budgets				Final Budgets				Actuals			
	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals
	General	Special			General	Special			General	Special		
	Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments	
REVENUES												
Local Sources:												
Property Taxes	\$ 7,755,037	\$ -	\$ -	\$ 7,755,037	\$ 7,755,037	\$ -	\$ -	\$ 7,755,037	\$ 7,755,037	\$ -	\$ -	\$ 7,755,037
Other Local Sources	619,634	-	-	619,634	619,634	-	-	619,634	348,776	-	-	348,776
Interdistrict Sources	935,517	-	-	935,517	935,517	-	-	935,517	984,480	-	-	984,480
Intermediate Sources	63,509	1,675	-	65,184	63,509	1,675	-	65,184	138,512	591	-	139,103
State Sources	11,648,214	555,000	-	12,203,214	11,648,214	555,000	-	12,203,214	11,650,858	506,991	-	12,157,849
Federal Sources	308,012	374,777	-	682,789	308,012	374,777	-	682,789	257,600	376,188	-	633,788
Other Sources	71,500	-	-	71,500	71,500	-	-	71,500	149,904	-	-	149,904
Total Revenues	21,401,423	931,452	-	22,332,875	21,401,423	931,452	-	22,332,875	21,285,167	883,770	-	22,168,937
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	4,134,536	-	-	4,134,536	4,134,536	-	-	4,134,536	3,982,946	-	-	3,982,946
Regular Curriculum	3,936,286	-	-	3,936,286	3,936,286	-	-	3,936,286	4,019,913	-	-	4,019,913
Vocational Curriculum	789,684	57	-	789,741	789,684	57	-	789,741	791,193	-	-	791,193
Physical Curriculum	431,041	-	-	431,041	431,041	-	-	431,041	431,543	-	-	431,543
Special Education Curriculum	-	1,904,805	-	1,904,805	-	1,904,805	-	1,904,805	-	1,956,474	-	1,956,474
Co-Curricular Activities	353,600	-	-	353,600	353,600	-	-	353,600	334,766	-	-	334,766
Other Special Needs	98,918	-	-	98,918	98,918	-	-	98,918	85,024	-	-	85,024
Total Instruction	9,744,065	1,904,862	-	11,648,927	9,744,065	1,904,862	-	11,648,927	9,645,385	1,956,474	-	11,601,859
Support Services:												
Pupil Services	652,217	303,201	-	955,418	652,217	303,201	-	955,418	682,371	290,273	-	972,644
Instructional Staff Services	750,492	261,389	-	1,011,881	750,492	261,389	-	1,011,881	722,205	233,879	-	956,084
General Administration	672,644	-	-	672,644	672,644	-	-	672,644	940,526	-	-	940,526
School Building Administration	943,824	-	-	943,824	943,824	-	-	943,824	896,792	-	-	896,792
Business Administration	4,290,653	96,325	-	4,386,978	4,290,653	96,325	-	4,386,978	4,291,886	79,767	-	4,371,653
Central Services	71,399	250	-	71,649	71,399	250	-	71,649	81,932	240	-	82,172
Insurance and Judgments	179,800	-	-	179,800	179,800	-	-	179,800	281,017	-	-	281,017
Debt Services	607,074	-	-	607,074	607,074	-	-	607,074	307,610	355	-	307,965
Other Support Services	481,540	-	-	481,540	481,540	-	-	481,540	335,037	-	-	335,037
Total Support Services	8,649,643	661,165	-	9,310,808	8,649,643	661,165	-	9,310,808	8,639,376	604,514	-	9,143,890
Non-Program:												
Purchased Instructional Services	1,340,588	20,950	-	1,361,538	1,340,588	20,950	-	1,361,538	1,313,997	67,584	-	1,381,581
Other Non-Program	27,802	1,200	-	29,002	27,802	1,200	-	29,002	3,056	-	-	3,056
Total Non-Program	1,368,390	22,150	-	1,390,540	1,368,390	22,150	-	1,390,540	1,317,053	67,584	-	1,384,637
Total Expenditures	19,762,098	2,588,177	-	22,350,275	19,762,098	2,588,177	-	22,350,275	19,501,814	2,628,572	-	22,130,386
EXCESS OF REVENUES OVER EXPENDITURES	1,639,325	(1,656,725)	-	(17,400)	1,639,325	(1,656,725)	-	(17,400)	1,783,353	(1,744,802)	-	38,551
OTHER FINANCING SOURCES (USES)												
Transfers In	-	1,689,825	(1,689,825)	-	-	1,689,825	(1,689,825)	-	-	1,744,802	(1,744,802)	-
Transfers Out	(1,639,325)	-	1,639,325	-	(1,639,325)	-	1,639,325	-	(1,744,802)	-	1,744,802	-
Total Other Financing Sources (Uses)	(1,639,325)	1,689,825	(50,500)	-	(1,639,325)	1,689,825	(50,500)	-	(1,744,802)	1,744,802	-	-
NET CHANGE IN FUND BALANCE	-	33,100	(50,500)	(17,400)	-	33,100	(50,500)	(17,400)	38,551	-	-	38,551
Fund Balance, Beginning of Year	3,326,950	-	-	3,326,950	3,326,950	-	-	3,326,950	3,326,950	-	-	3,326,950
FUND BALANCE, END OF YEAR	\$ 3,326,950	\$ 33,100	\$ (50,500)	\$ 3,309,550	\$ 3,326,950	\$ 33,100	\$ (50,500)	\$ 3,309,550	\$ 3,365,501	\$ -	\$ -	\$ 3,365,501

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local Sources:				
Property Taxes	\$ 7,755,037	\$ 7,755,037	\$ 7,755,037	\$ -
Other Local Sources	619,634	619,634	348,776	(270,858)
Interdistrict Sources	935,517	935,517	984,480	48,963
Intermediate Sources	63,509	63,509	138,512	75,003
State Sources	11,648,214	11,648,214	11,650,858	2,644
Federal Sources	308,012	308,012	257,600	(50,412)
Other Sources	71,500	71,500	149,904	78,404
Total Revenues	<u>21,401,423</u>	<u>21,401,423</u>	<u>21,285,167</u>	<u>(116,256)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	4,134,536	4,134,536	3,982,946	151,590
Regular Curriculum	3,936,286	3,936,286	4,019,913	(83,627)
Vocational Curriculum	789,684	789,684	791,193	(1,509)
Physical Curriculum	431,041	431,041	431,543	(502)
Special Educational Curriculum				
Co-Curricular Activities	353,600	353,600	334,766	18,834
Other Special Needs	98,918	98,918	85,024	13,894
Total Instruction	<u>9,744,065</u>	<u>9,744,065</u>	<u>9,645,385</u>	<u>98,680</u>
Support Services:				
Pupil Services	652,217	652,217	682,371	(30,154)
Instructional Staff Services	750,492	750,492	722,205	28,287
General Administration	672,644	672,644	940,526	(267,882)
School Building Administration	943,824	943,824	896,792	47,032
Business Administration	4,290,653	4,290,653	4,291,886	(1,233)
Central Services	71,399	71,399	81,932	(10,533)
Insurance and Judgments	179,800	179,800	281,017	(101,217)
Debt Services	607,074	607,074	307,610	299,464
Other Support Services	481,540	481,540	335,037	146,503
Total Support Services	<u>8,649,643</u>	<u>8,649,643</u>	<u>8,539,376</u>	<u>110,267</u>
Non-Program:				
Purchased Instructional Services	1,340,588	1,340,588	1,313,997	26,591
Other Non-Program	27,802	27,802	3,056	24,746
Total Non-Program	<u>1,368,390</u>	<u>1,368,390</u>	<u>1,317,053</u>	<u>51,337</u>
Total Expenditures	<u>19,762,098</u>	<u>19,762,098</u>	<u>19,501,814</u>	<u>260,284</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,639,325	1,639,325	1,783,353	144,028
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,639,325)	(1,639,325)	(1,744,802)	(105,477)
Total Other Financing Sources (Uses)	<u>(1,639,325)</u>	<u>(1,639,325)</u>	<u>(1,744,802)</u>	<u>(105,477)</u>
NET CHANGE IN FUND BALANCE	-	-	38,551	38,551
Fund Balance, Beginning of Year	3,326,950	3,326,950	3,326,950	-
FUND BALANCE, END OF YEAR	<u>\$ 3,326,950</u>	<u>\$ 3,326,950</u>	<u>\$ 3,365,501</u>	<u>\$ 38,551</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intermediate Sources	\$ 1,675	\$ 1,675	\$ 591	\$ (1,084)
State Sources	555,000	555,000	506,991	(48,009)
Federal Sources	374,777	374,777	376,188	1,411
Total Revenues	<u>931,452</u>	<u>931,452</u>	<u>883,770</u>	<u>(47,682)</u>
EXPENDITURES				
Instruction:				
Vocational Curriculum	57	57	-	57
Special Education Curriculum	1,904,805	1,904,805	1,956,474	(51,669)
Total Instruction	<u>1,904,862</u>	<u>1,904,862</u>	<u>1,956,474</u>	<u>(51,612)</u>
Support Services:				
Pupil Services	303,201	303,201	290,273	12,928
Instructional Staff Services	261,389	261,389	233,879	27,510
Business Administration	96,325	96,325	79,767	16,558
Central Services	250	250	240	10
General Administration	-	-	355	(355)
Total Support Services	<u>661,165</u>	<u>661,165</u>	<u>604,514</u>	<u>56,651</u>
Non-Program:				
Purchased Instructional Services	20,950	20,950	67,584	(46,634)
Other Non-Program	1,200	1,200	-	1,200
Total Non-Program	<u>22,150</u>	<u>22,150</u>	<u>67,584</u>	<u>(45,434)</u>
Total Expenditures	<u>2,588,177</u>	<u>2,588,177</u>	<u>2,628,572</u>	<u>(40,395)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,656,725)	(1,656,725)	(1,744,802)	(88,077)
OTHER FINANCING SOURCES				
Transfers In	<u>1,689,825</u>	<u>1,689,825</u>	<u>1,744,802</u>	<u>54,977</u>
NET CHANGE IN FUND BALANCE	33,100	33,100	-	(33,100)
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ 33,100</u>	<u>\$ 33,100</u>	<u>\$ -</u>	<u>\$ (33,100)</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds					Long-Term Capital Projects	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services		Day Care		
			Adult Education	Theatre			
ASSETS							
Cash and Investments	\$ 103,652	\$ 200,953	\$ -	\$ 5,204	\$ -	\$ 180,592	\$ 490,401
Accounts Receivable	-	6,931	1,569	-	50,185	-	58,685
Due from Other Governments	-	68,867	-	-	3,710	-	72,577
Total Assets	\$ 103,652	\$ 276,751	\$ 1,569	\$ 5,204	\$ 53,895	\$ 180,592	\$ 621,663
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to Other Governmental Funds	\$ -	\$ -	\$ 1,915	\$ -	\$ 204,278	\$ -	\$ 206,193
Unearned Revenues	-	34,616	-	-	-	-	34,616
Total Liabilities	-	34,616	1,915	-	204,278	-	240,809
FUND BALANCES							
Restricted	103,652	242,135	(346)	5,204	-	180,592	531,237
Unassigned	-	-	-	-	(150,383)	-	(150,383)
Total Fund Balances	103,652	242,135	(346)	5,204	(150,383)	180,592	380,854
Total Liabilities and Fund Balances	\$ 103,652	\$ 276,751	\$ 1,569	\$ 5,204	\$ 53,895	\$ 180,592	\$ 621,663

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds					Long-Term Capital Projects	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services				
			Adult Education	Theatre	Day Care		
REVENUES							
Local Sources:							
Property Taxes	\$ -	\$ -	\$ 92,000	\$ -	\$ 12,000	\$ -	\$ 104,000
Other Local Sources	92,122	344,372	45,679	-	505,409	44	987,626
State Sources	-	21,312	-	-	-	-	21,312
Federal Sources	-	645,296	-	-	-	-	645,296
Total Revenues	<u>92,122</u>	<u>1,010,980</u>	<u>137,679</u>	<u>-</u>	<u>517,409</u>	<u>44</u>	<u>1,758,234</u>
EXPENDITURES							
Instruction:							
Regular Instruction	28,337	-	-	-	-	-	28,337
Other Instruction	3,956	-	-	-	-	-	3,956
Support Services:							
General Administration	849	-	82,812	-	135,117	-	218,778
Food Service	-	1,039,215	-	-	-	-	1,039,215
Community Services	-	-	58,925	-	517,575	-	576,500
Total Expenditures	<u>33,142</u>	<u>1,039,215</u>	<u>141,737</u>	<u>-</u>	<u>652,692</u>	<u>-</u>	<u>1,866,786</u>
NET CHANGE IN FUND BALANCES	58,980	(28,235)	(4,058)	-	(135,283)	44	(108,552)
Fund Balances - Beginning of Year	44,672	270,370	3,712	5,204	(15,100)	180,548	489,406
FUND BALANCES - END OF YEAR	<u>\$ 103,652</u>	<u>\$ 242,135</u>	<u>\$ (346)</u>	<u>\$ 5,204</u>	<u>\$ (150,383)</u>	<u>\$ 180,592</u>	<u>\$ 380,854</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DETAILED BALANCE SHEET – DEBT SERVICE FUND
JUNE 30, 2020

	Referendum Debt Service	Non-Referendum Debt Service	Total
ASSETS			
Cash and Investments	\$ 871,691	\$ 248,534	\$ 1,120,225
Due from Other Governmental Fund	409,340	-	409,340
Total Assets	\$ 1,281,031	\$ 248,534	\$ 1,529,565
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Other Governmental Fund	\$ -	\$ 109,340	\$ 109,340
FUND BALANCES			
Restricted	1,281,031	139,194	1,420,225
Total Liabilities and Fund Balances	\$ 1,281,031	\$ 248,534	\$ 1,529,565

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Referendum Debt Service	Non-Referendum Debt Service	Total
REVENUES			
Local Sources:			
Property Taxes	\$ 932,150	\$ 179,254	\$ 1,111,404
Other Local Sources	471	-	471
Total Revenues	932,621	179,254	1,111,875
EXPENDITURES			
Debt Service:			
Principal Retirement	890,000	145,155	1,035,155
Interest and Fiscal Fees	36,050	30,781	66,831
Total Expenditures	926,050	175,936	1,101,986
NET CHANGE IN FUND BALANCES	6,571	3,318	9,889
Fund Balances - Beginning of Year	1,274,460	135,876	1,410,336
FUND BALANCES - END OF YEAR	\$ 1,281,031	\$ 139,194	\$ 1,420,225

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGE IN BALANCES – STUDENT ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS				
Cash and Investments	\$ 154,740	\$ 311,612	\$ 299,518	\$ 166,834
Total Assets	<u>\$ 161,105</u>	<u>\$ 311,612</u>	<u>\$ 299,518</u>	<u>\$ 166,834</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 143,151	\$ 143,021	\$ 130
Due to Student Organizations:	<u>154,740</u>	<u>168,461</u>	<u>156,497</u>	<u>166,704</u>
Total Liabilities	<u>\$ 161,105</u>	<u>\$ 311,612</u>	<u>\$ 299,518</u>	<u>\$ 166,834</u>

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Deferred Revenue) July 1, 2019	Expenditures	Grant Reimburse- ments
U.S. Department of Agriculture							
Child Nutrition Cluster:							
School Breakfast Program	10.553	WI DPI	x 2020-480119-SB-Severe-546	\$ -	\$ 12,378	\$ 80,645	\$ 93,023
COVID-19 - School Breakfast Program	10.553	WI DPI	x 2020-480119-SB-Severe-546	-	-	9,183	9,183
Total School Breakfast Program				-	12,378	89,828	102,206
National School Lunch Program:							
National School Lunch Program	10.555	WI DPI	x 2020-480119-NSL-547	-	8,304	171,097	179,401
COVID-19 - National School Lunch Program	10.555	WI DPI	x 2020-480119-NSL-547	-	-	52,938	52,938
Commodity Handling	10.555	WI DPI	x Not Available	-	-	62,267	62,267
Total National School Lunch Program				-	8,304	286,302	294,606
Summer Food Service Program	10.559	WI DPI	x 2020-480119-SFSP-586	-	27,160	106,524	133,684
COVID-19 - Summer Food Service Program	10.559	WI DPI	x 2020-480119-SFSP-586	-	-	162,641	93,774
Total Summer Food Service Program				-	27,160	269,165	227,458
Total Child Nutrition Cluster				-	47,842	645,295	624,270
Total Department of Agriculture				-	47,842	645,295	624,270
U.S. Department of Education							
Title I:	84.010						
Title I, Part A		WI DPI	20-480119-Title I-141	-	30,414	147,092	177,506
Special Education Cluster:							
Special Education Grants to States:							
IDEA Flow Through	84.027	WI DPI	2020-480119-IDEA-341	-	95,577	349,726	435,506
Special Education - Preschool Grants:							
IDEA Preschool Entitlement	84.173	WI DPI	2020-480119-Pre-S-347	-	-	13,223	13,223
Total Special Education Cluster				-	95,577	362,949	448,729
ESEA Title II-A Teacher and Principal Training and Recruiting Fund	84.367	CESA 11	2020-480119-Title II-365	-	21,808	32,809	54,617
Vocational Education - Carl Perkins	84.048	CESA 11	Not Available	-	-	14,129	7,144
ESEA Homelessness Grant	84.196a	CESA 11	Not Available	-	-	2,000	2,000
Total Department of Education				-	147,799	558,979	689,996

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Accrued Receivable (Deferred Revenue) July 1, 2019</u>	<u>Expenditures</u>	<u>Grant Reimburse- ments</u>	<u>Accrued Receivable (Deferred Revenue) June 30, 2020</u>
<u>U.S. Department of Health and Human Services</u>								
Medical Assistance Program (Medicaid Cluster):	93.778							
Medical Assistance Program (School Based Services)		Direct	Not Available	-	782	90,938	80,300	11,420
Total Department of Health and Human Services				<u>-</u>	<u>782</u>	<u>90,938</u>	<u>80,300</u>	<u>11,420</u>
Total Federal Program Awards				<u>\$ -</u>	<u>\$ 196,423</u>	<u>\$ 1,295,212</u>	<u>\$ 1,394,566</u>	<u>\$ 97,069</u>

X = Major Federal Award Program

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2019	Expenditures	State Reimburse- ments	Receivable Accrued Receivable (Deferred Revenue) June 30, 2020
<u>Wisconsin Department of Public Instruction</u>						
Cost Reimbursement Programs - Nonmajor :						
Direct Grant:						
Educator Effectiveness Grant	255.940	LEA-154	\$ -	\$ 10,160	\$ 10,160	\$ -
Career and Technical Education Incentive Grant	255.950	LEA-152	-	48,545	48,545	-
School Based Mental Health Services	255.297	LEA-297	75,000	56,592	75,000	56,592
School Safety Grant	445.206		8,920	7,741	8,920	7,741
Cooperative Educational Service Agency No. 11:						
Teach Grant	275.109	Not Available	10,843	35,848	10,843	35,848
Youth Apprenticeship Grant	445.107	Not Available	32,825	34,515	32,825	34,515
Total Cost Reimbursement Programs			<u>\$ 127,588</u>	<u>\$ 193,401</u>	186,293	<u>\$ 134,696</u>
<u>Wisconsin Department of Public Instruction</u>						
Entitlement Programs:						
Major State Programs:						
Pupil Transportation	255.107	LEA-102			77,831	
General Equalization	255.201	LEA-116			9,671,708	[2]
Achievement Gap Reduction	255.504	LEA-160			448,952	
Total Major Programs					<u>10,198,491</u>	
Nonmajor State Programs:						
Handicapped Pupils and School Age Parents:	255.101	LEA-100	[1]			
Internal District Programs					<u>504,581</u>	
Total Handicapped Program					504,581	
State Lunch	255.102	LEA-107			8,821	
Common School Fund	255.103	LEA-104			80,823	
Supplemental Per Pupil Aid	255.245	LEA-245			5,284	
WI Morning Milk Program	255.115	LEA-115			3,923	
School Breakfast Program	255.344	LEA-108			8,568	
Early College Credit Program	255.445	LEA-445			833	
Per Pupil Adjustment Aid	255.945	LEA-113			1,167,908	
Assessment of Reading Readiness	255.956	LEA-165			3,792	
Transition Grant	255.960	LEA-168			3,000	
Total Nonmajor Programs					<u>1,787,533</u>	
Total State Financial Assistance					<u>\$ 12,172,317</u>	

[1] District's 2019-20 Aidable Costs Reported to DPI Totaled \$1,944,495.

[2] Includes \$158,545.00 Receivable at 6/30/19.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. The reporting entity is defined in Note 1 to the financial statements.

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

NOTE 3 FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

NOTE 4 MEDICAL ASSISTANCE

Expenditures presented for the Medicaid School Based Services (SBS) Benefit represent only the federal funds for the program that the District receives from the Department of Health Services (DHS). District records should be consulted to determine the total amount expended for this program.

NOTE 5 FEDERAL AWARDS TO SUB-RECIPIENTS

The District did not pass through any federal awards to sub-recipients in the current year.



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

Board of Education
School District of Amery
Amery, 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 School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 24, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2020-001 and 2020-002 to be material weaknesses.

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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District of Amery's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 24, 2020



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

Board of Education
School District of Amery
Amery, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited School District of Amery, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Programs

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 federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

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 a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 24, 2020

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
10.550, 10.553, 10.555 and 10.559	Child Nutrition Program
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u> \$750,000 </u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> x </u> no

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
2. Type of auditors’ report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines*? _____ yes x no


Identification of Major State Projects

CSFA Number(s)	Name of State Project
255.201	General Equalization Aids
255.504	Achievement Gap Reduction (SAGE)
255.107	Pupil Transportation
Dollar threshold used to distinguish between Type A and Type B state projects:	\$ <u>250,000</u>

Other Issues

1. Do the auditors’ report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee’s ability to continue as a going concern? No
2. Does the auditors’ report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Health Services	No
3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal	 Brock Geyen, CPA
5. Date of Report	November 24, 2020

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings – Federal Awards

2020 – 001 Limited Segregation of Duties

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The auditors noted during the audit that the available staff precludes a proper separation of duties to assure adequate internal control.

Criteria or specific requirement: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Context: The limited size of the District's staff responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The District has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.

Effect: Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud that would not be detected or prevented by District staff.

Cause: The condition is due to limited staff available.

Repeat Finding: This is a repeat of the prior year finding 2019-001.

Recommendation: The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of responsible officials and planned corrective actions: The District continues to work to achieve segregation of duties whenever cost effective. The District Administrator is the official responsible for ensuring corrective action of the deficiency.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings – Federal Awards (Continued)

2020 – 002 Material Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The audit firm proposed and the District posted to its general ledger accounts adjusting journal entries for correcting certain misstatements.

Criteria or specific requirement: The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Context: The District has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

Effect: The financial statements of the District may include inaccurate information not detected or prevented by District staff.

Cause: The District has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Repeat Finding: This finding is a repeat of the prior year finding 2019-002.

Recommendation: The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Views of responsible officials and planned corrective actions: The District will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review, approve and accept these entries prior to recording them. The District Administrator is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Section III – Major Federal Programs

None.

Section IV – Financial Statement Findings – State Financial Assistance

None.