

SCHOOL DISTRICT OF THORP

Thorp, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended June 30, 2020

SCHOOL DISTRICT OF THORP

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
School District of Thorp
Thorp, 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 Thorp, Wisconsin, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District of Thorp'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 over financial reporting relevant to the School District of Thorp'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 School District of Thorp'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 Thorp, Wisconsin, as of June 30, 2020 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the School District of Thorp adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Thorp's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the School District of Thorp's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of Thorp's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Thorp's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
December 1, 2020

SCHOOL DISTRICT OF THORP

STATEMENT OF NET POSITION As of June 30, 2020

ASSETS

Current

Cash and investments	\$ 1,187,493
Taxes receivable	744,122
Accounts receivable	15,792
Due from other governments	307,780
Prepaid items	39,333
Total Current Assets	<u>2,294,520</u>

Noncurrent

Land	1,125,000
Construction in progress	40,204
Capital assets, net of depreciation	9,451,236
Restricted assets:	
Net pension asset	761,878
Total Noncurrent Assets	<u>11,378,318</u>

Total Assets 13,672,838

DEFERRED OUTFLOWS OF RESOURCES

Pension related amounts 1,660,322

LIABILITIES

Current

Accounts payable	7,198
Accrued payroll and related liabilities	498,843
Accrued interest	50,874
Deposits	8,654
Current portion of general obligation debt	386,500
Total Current Liabilities	<u>952,069</u>

Noncurrent

Noncurrent portion of general obligation debt	5,767,919
Total Noncurrent Liabilities	<u>5,767,919</u>

Total Liabilities 6,719,988

DEFERRED INFLOWS OF RESOURCES

Pension related amounts 2,283,122

NET POSITION

Net investment in capital assets	4,816,938
Restricted for:	
Food service	49,287
District-directed student activities	25,449
Debt service	79,393
Long term capital improvement	102,008
Pension	761,878
Unrestricted	<u>495,097</u>

TOTAL NET POSITION \$ 6,330,050

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Instruction					
Regular instruction	\$ 3,376,147	\$ 514,536	\$ 574,242	\$ -	\$ (2,287,369)
Vocational instruction	357,282	-	20,088	-	(337,194)
Special instruction	930,240	1,708	438,306	-	(490,226)
Other instruction	234,044	22,627	19,124	-	(192,293)
Total Instruction	<u>4,897,713</u>	<u>538,871</u>	<u>1,051,760</u>	<u>-</u>	<u>(3,307,082)</u>
Community Service	<u>20,527</u>	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>(19,117)</u>
Support Service					
Pupil services	329,116	-	-	-	(329,116)
Instructional staff services	376,977	-	35,806	-	(341,171)
Administration	826,519	-	-	-	(826,519)
Buildings and grounds	941,921	160	-	-	(941,761)
Transportation	426,906	-	76,142	-	(350,764)
Other support services	471,529	-	-	-	(471,529)
Food service	382,786	72,653	388,131	-	77,998
Interest on debt	242,262	-	-	-	(242,262)
Depreciation - unallocated	358,551	-	-	-	(358,551)
Total Support Services	<u>4,356,567</u>	<u>72,813</u>	<u>500,079</u>	<u>-</u>	<u>(3,783,675)</u>
Total Governmental Activities	<u>\$ 9,274,807</u>	<u>\$ 613,094</u>	<u>\$ 1,551,839</u>	<u>\$ -</u>	<u>(7,109,874)</u>
General Revenues					
Property taxes					
General purposes					1,498,182
Debt service					751,794
Community service					50,000
State and federal aids not restricted to specific functions					
General equalized aid					3,937,843
Other					735,267
Investment income					9,096
Gain on disposal of capital assets					27,103
Miscellaneous					60,735
Total General Revenues					<u>7,070,020</u>
Change in Net Position					(39,854)
NET POSITION - Beginning of Year (as restated)					<u>6,369,904</u>
NET POSITION - END OF YEAR					<u>\$ 6,330,050</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

BALANCE SHEET GOVERNMENTAL FUNDS As of June 30, 2020

	<u>General Fund</u>	<u>Special Education Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 1,012,135	\$ -	\$ 175,358	\$ 1,187,493
Taxes receivable	744,122	-	-	744,122
Accounts receivable	12,766	-	3,026	15,792
Due from other governments	186,169	57,641	63,970	307,780
Due from other funds	66,696	-	100,000	166,696
Prepaid items	39,333	-	-	39,333
TOTAL ASSETS	<u>\$ 2,061,221</u>	<u>\$ 57,641</u>	<u>\$ 342,354</u>	<u>\$ 2,461,216</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,198	\$ -	\$ -	\$ 7,198
Accrued payroll and related liabilities	498,843	-	-	498,843
Due to other funds	100,000	57,641	9,055	166,696
Deposits	-	-	8,654	8,654
Total Liabilities	<u>606,041</u>	<u>57,641</u>	<u>17,709</u>	<u>681,391</u>
Fund Balances				
Nonspendable	39,333	-	-	39,333
Restricted	-	-	307,011	307,011
Assigned	-	-	17,634	17,634
Unassigned	1,415,847	-	-	1,415,847
Total Fund Balance	<u>1,455,180</u>	<u>-</u>	<u>324,645</u>	<u>1,779,825</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,061,221</u>	<u>\$ 57,641</u>	<u>\$ 342,354</u>	<u>\$ 2,461,216</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

As of June 30, 2020

Total fund balance - governmental funds	\$ 1,779,825
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. See Note III.D.	10,616,440
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	761,878
Some deferred outflows of resources and deferred inflows of resources are not reported in the fund statements. These consist of:	
Deferred outflows - pension related amounts	1,660,322
Deferred inflows - pension related amounts	(2,283,122)
Governmental funds report the effect of premiums, losses, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Below are the net effects of these differences:	
Unamortized premium	(270,502)
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.	
Long-term liabilities at year end consist of:	
General obligation debt	(5,883,917)
Accrued interest on general obligation debt	(50,874)
	<u>(5,934,791)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 6,330,050</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended June 30, 2020

	General Fund	Special Education Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 1,498,182	\$ -	\$ 801,794	\$ 2,299,976
Other local sources	57,693	-	101,085	158,778
Interdistrict sources	509,889	1,708	-	511,597
Intermediate sources	43,305	48,354	-	91,659
State sources	5,078,897	224,593	9,291	5,312,781
Federal sources	275,567	138,123	370,945	784,635
Other sources	75,527	-	-	75,527
Total Revenues	7,539,060	412,778	1,283,115	9,234,953
EXPENDITURES				
Instruction				
Regular instruction	3,366,046	-	-	3,366,046
Vocational instruction	400,662	-	-	400,662
Special instruction	-	914,566	-	914,566
Other instruction	218,923	-	15,767	234,690
Total Instruction	3,985,631	914,566	15,767	4,915,964
Community Service				
	-	-	60,731	60,731
Support Service				
Pupil services	193,084	135,004	-	328,088
Instructional staff services	236,872	132,999	-	369,871
Administration	823,106	7,217	-	830,323
Buildings and grounds	567,603	-	-	567,603
Transportation	426,401	41,382	-	467,783
Debt service	-	-	584,769	584,769
Other support services	459,517	12,012	-	471,529
Food service	-	-	411,497	411,497
Total Support Services	2,706,583	328,614	996,266	4,031,463
Total Expenditures	6,692,214	1,243,180	1,072,764	9,008,158
Excess of Revenues Over (Under)				
Expenditures	846,846	(830,402)	210,351	226,795
OTHER FINANCING SOURCES (USES)				
Payment to refunding escrow agent	-	-	(258,792)	(258,792)
Transfers in	-	830,402	100,000	930,402
Transfers out	(930,402)	-	-	(930,402)
Total Other Financing Sources (Uses)	(930,402)	830,402	(158,792)	(258,792)
Net Change in Fund Balances	(83,556)	-	51,559	(31,997)
FUND BALANCES - Beginning of Year (as restated)	1,538,736	-	273,086	1,811,822
FUND BALANCES - END OF YEAR	\$ 1,455,180	\$ -	\$ 324,645	\$ 1,779,825

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ (31,997)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differ in their presentation in the two statements:</p>	
Capital outlay is capitalized in the district-wide statements	204,858
Depreciation is reported in the district-wide statements	(358,551)
Net book value of assets retired	(425,406)
<p>Debt premiums, discounts, and similar items are reported as other financing sources (uses) or expenditures in the governmental funds. However, in the statement of net assets, these are deferred and allocated over the period the debt is outstanding in the statement of activities.</p>	
Amortization	18,711
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal payments	579,500
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the change in the following assets/liabilities:</p>	
Accrued interest payable	3,088
Net pension liability/asset - WRS (and pension related deferred outflows and inflows of resources)	<u>(30,057)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (39,854)</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2020

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	<u>\$ 315,786</u>
NET POSITION	
Restricted	<u>\$ 315,786</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	Custodial Funds
ADDITIONS	
Local sources	\$ <u>191,192</u>
DEDUCTIONS	
Scholarships disbursed to students	9,750
Student activity disbursements	<u>179,941</u>
Total Deductions	<u>189,691</u>
Change in Fiduciary Net Position	1,501
NET POSITION - Beginning of Year (as restated)	<u>314,285</u>
NET POSITION - END OF YEAR	<u>\$ 315,786</u>

See accompanying notes to financial statements.

SCHOOL DISTRICT OF THORP

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SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School District of Thorp (the "District"), conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented July 1, 2019.

District-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

Fund Financial Statements

Financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - accounts for the District's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
Special Education Special Revenue Fund - used to account for and report grants and local revenues that are restricted or committed to expenditures used to provide special education services to District students.

The District reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Special Revenue Trust
Food Service
Community Service

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Nonreferendum
Referendum

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The district reports the following nonmajor governmental funds: (cont.)

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Improvements Trust

In addition, the District reports the following fund types:

Custodial Funds - used to account for and report assets controlled by the District and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Scholarship
Student Activity

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

District-Wide Financial Statements

The district-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and revenue.

Intergovernmental aids and grants are recognized as revenues in the period the District is entitled the resources and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as student fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above. Charges for special education services are not reduced by anticipated state special education aid entitlement.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

Investment of District funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds, is regulated by Chapter 881 of the Wisconsin Statutes. This section gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The District has adopted an investment policy. That policy requires that District funds are invested at the highest rate and under the best conditions as possible in official depositories designated by the Board, deposits made in any one financial institution are limited to the amounts protected by state and federal law, except as otherwise specifically provided by the Board, and all District investments are made in compliance with legal requirements. No policy exists for interest rate risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of district accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2020, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The District also participates in one Wisconsin Investment Series Cooperative (WISC) fund, which is authorized under Wisconsin Statute 66.0301 and is governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the SEC as an investment company. The WISC reports to participants on the amortized costs basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. The investments in WISC are not subject to the fair value hierarchy disclosures.

See Note III. A. for further information.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

General accounts receivable have been adjusted for all known uncollectable accounts. No allowance is necessary at year end.

Property taxes are levied in December on the assessed value as of the prior January 1.

The aggregate amount of property taxes to be levied for school purposes is determined according to the provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1.

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020

Property taxes are recognized in the fiscal year levied. The District considers all taxes as due prior to the end of the fiscal year. Full receipt of the entire levy is assured within 60 days of the District's fiscal year end.

Property taxes are collected by the local taxing units until January 31. Real estate tax collections after that date are made by the applicable county, which assumes all responsibility for delinquent real estate taxes.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

District-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the district-wide financial statements. Beginning in fiscal year 2019, capital assets are defined by the District as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Building improvements	20 Years
Site improvements	10-20 Years
Furniture and equipment	5-15 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

7. Long-Term Obligations

All long-term obligations to be repaid from District resources are reported as liabilities in the district-wide statements. The long-term obligations consist primarily of bonds and notes payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the district-wide statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

District-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Board of Education. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The District has adopted a financial policy authorizing the District Superintendent to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15%-25% of the anticipated General Fund expenditure budget for the subsequent fiscal year. The unassigned fund balance at year end was \$1,415,847 or 18% of the adopted General Fund budget fiscal year 2021.

See Note III. G. for further information.

Fiduciary fund net position is classified as restricted for specific purposes on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the District believes it is in compliance with all significant restrictions.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Pension

For purposes of measuring the net pension 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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
General Fund	\$ 7,444,756	\$ 7,622,616	\$ 177,860
Special Education	1,131,054	1,243,180	112,126
Food Service	384,380	411,497	27,117
Community Service	40,000	60,731	20,731

The District controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the District's year-end budget to actual report.

B. LIMITATIONS ON THE DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is limited to an allowable per member increase that is determined by the legislature.

The limitation does not apply to revenues needed for the 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 THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The District's deposits and investments at year-end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 195,414	\$ 625,481	Custodial credit
LGIP	3,432	3,432	Credit
WISC Investment Series	1,157,020	1,157,020	Credit
Annuities	147,063	147,299	Credit, interest rate
Petty cash	350	-	N/A
 Total Deposits and Investments	 \$ 1,503,279	 \$ 1,933,232	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 1,187,493		
Per statement of net position - fiduciary funds			
Custodial Funds	315,786		
 Total Deposits and Investments	 \$ 1,503,279		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

Custodial Credit Risk

Deposits

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

The District does not have any deposits exposed to custodial credit risk.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The District also held investments in the following types of investments which are not rated:

Wisconsin Local Government Investment Pool
WISC Investment Series
Annuities

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2020, the District's investments were as follows:

<u>Investment</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Annuity	6/25/2021	\$ 127,820
Annuity	7/12/2045	<u>19,243</u>
Total		<u>\$ 147,063</u>

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

C. RESTRICTED ASSETS

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,125,000	\$ -	\$ -	\$ 1,125,000
Construction in progress	-	40,204	-	40,204
Total Capital Assets Not Being Depreciated	<u>1,125,000</u>	<u>40,204</u>	<u>-</u>	<u>1,165,204</u>
Capital assets being depreciated				
Site improvements	433,389	-	17,790	415,599
Buildings and improvements	13,929,573	51,700	52,241	13,929,032
Furniture and equipment	<u>3,446,750</u>	<u>112,954</u>	<u>748,946</u>	<u>2,810,758</u>
Total Capital Assets Being Depreciated	<u>17,809,712</u>	<u>164,654</u>	<u>818,977</u>	<u>17,155,389</u>
Total Capital Assets	<u>18,934,712</u>	<u>204,858</u>	<u>818,977</u>	<u>18,320,593</u>
Less: Accumulated depreciation for				
Site improvements	(367,564)	(7,783)	2,970	(372,377)
Buildings and improvements	(5,964,336)	(216,064)	13,751	(6,166,649)
Furniture and equipment	<u>(1,407,273)</u>	<u>(134,704)</u>	<u>376,850</u>	<u>(1,165,127)</u>
Total Accumulated Depreciation	<u>(7,739,173)</u>	<u>(358,551)</u>	<u>393,571</u>	<u>(7,704,153)</u>
Net Capital Assets Being Depreciated	<u>10,070,539</u>	<u>(193,897)</u>	<u>425,406</u>	<u>9,451,236</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,195,539</u>	<u>\$ (153,693)</u>	<u>\$ 425,406</u>	<u>\$ 10,616,440</u>

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Special Education	\$ 57,641
General Fund	Food Service	9,055
Capital Improvements Trust	General Fund	100,000
Total - Fund Financial Statements		\$ 166,696

All amounts are due within one year.

The principal purpose of this interfund is to cover negative cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Special Education	General Fund	\$ 830,402	Subsidize operations
Capital Improvements Trust	General Fund	100,000	Future capital improvements
Total - Fund Financial Statements		\$ 930,402	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The above transfer to the special education fund uses unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and Wisconsin Department of Public Instruction directives.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
General obligation debt	\$ 5,130,000	\$ -	\$ 425,000	\$ 4,705,000	\$ 220,000
General obligation debt from direct borrowings and direct placements	1,333,417	-	154,500	1,178,917	166,500
Premiums	<u>289,213</u>	-	<u>18,711</u>	<u>270,502</u>	-
Sub-totals	<u>6,752,630</u>	<u>-</u>	<u>598,211</u>	<u>6,154,419</u>	<u>386,500</u>
Other Liabilities					
Net pension liability - WRS	<u>838,914</u>	-	<u>838,914</u>	-	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 7,591,544</u>	<u>\$ -</u>	<u>\$ 1,437,125</u>	<u>\$ 6,154,419</u>	<u>\$ 386,500</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed 10% of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2020, was \$28,175,255. Total general obligation debt outstanding at year end was \$5,883,917.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the District. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service funds.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2020
GO Refunding Bonds	8/30/2017	4/1/2037	3.00-4.00%	\$ 5,380,000	\$ 4,705,000
Taxable GO Notes	10/2/2017	4/1/2026	3.50%	511,167	354,917 *
GO Notes	12/21/2017	4/1/2027	2.39-4.00%	974,000	<u>824,000 *</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 5,883,917</u>

* The debt noted is directly placed with a third party.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 220,000	\$ 159,750	\$ 166,500	\$ 40,008
2022	225,000	150,000	172,500	33,630
2023	235,000	143,250	172,500	27,012
2024	240,000	133,850	182,500	20,408
2025	250,000	124,250	187,500	12,777
2026-2030	1,415,000	464,800	297,417	11,029
2031-2035	1,660,000	221,250	-	-
2036-2037	460,000	16,650	-	-
Totals	<u>\$ 4,705,000</u>	<u>\$ 1,413,800</u>	<u>\$ 1,178,917</u>	<u>\$ 144,864</u>

Advance Refunding

On June 16, 2020, the District used \$258,792 of existing funds to advance refund \$210,000 of the GO Refunding Bonds dated August 30, 2017, with a coupon rate of 3%. The funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded portion of the bonds is considered defeased and the liability for that portion of the bonds has been removed from the statement of net position. The 2017 bonds are not currently callable; the amount deposited into the escrow account will be applied to pay the principal and interest on \$210,000 of the 2037 maturity of the 2017 bonds on the April 1, 2027 early redemption date.

The advance refunding was arranged due to excess tax levy cash on hand. Substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is prohibited by the escrow agreement.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

Net position reported on the district-wide statement of net position at June 30, 2020, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,125,000
Construction in progress	40,204
Other capital assets, net of accumulated depreciation	9,451,236
Less: Long-term capital related debt outstanding	(5,529,000)
Less: Unamortized debt premium	<u>(270,502)</u>
Total Net Investment in Capital Assets	<u><u>\$ 4,816,938</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2020, include the following:

	General Fund	Nonmajor Governmental Funds	Totals
Fund Balances			
Nonspendable:			
Prepaid items	\$ 39,333	\$ -	\$ 39,333
Restricted for:			
District-directed student activities	-	25,449	25,449
Food service	-	49,287	49,287
Debt service	-	130,267	130,267
Long term capital improvements	-	102,008	102,008
Assigned to:			
Community service	-	17,634	17,634
Unassigned	<u>1,415,847</u>	<u>-</u>	<u>1,415,847</u>
Total Fund Balances	<u><u>\$ 1,455,180</u></u>	<u><u>\$ 324,645</u></u>	<u><u>\$ 1,779,825</u></u>

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. RESTATEMENT OF FUND BALANCES/NET POSITION

Fund balance and net position have been restated as a result of implementation of GASB Statement No. 84 - *Fiduciary Activities*. This statement resulted in changing the presentation of a portion of the Student Activity Fund (previously reported as an agency fund) to a special revenue fund. This statement also resulted in changing the presentation of the Scholarship Fund (previously reported as a private-purpose trust fund) and the remaining portion of the Student Activity Fund to being reported as custodial funds.

Nonmajor Governmental Funds

Nonmajor Governmental Fund balance - June 30, 2019 (as reported)	\$ 250,994
Add: Special Revenue Trust cumulative fund balance, beginning of year	<u>22,092</u>
Fund Balance - June 30, 2019 (as restated)	<u><u>\$ 273,086</u></u>

Custodial Funds

Custodial net position - June 30, 2019 (as reported)	\$ -
Add: Student Activity cumulative net position, beginning of year	83,704
Scholarship cumulative net position, beginning of year	<u>230,581</u>
Net Position - June 30, 2019 (as restated)	<u><u>\$ 314,285</u></u>

Governmental Activities

Governmental Activities net position - June 30, 2019 (as reported)	\$ 6,347,812
Add: Special Revenue Trust fund balance restatement	<u>22,092</u>
Net Position - June 30, 2019 (as restated)	<u><u>\$ 6,369,904</u></u>

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 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 THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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)

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$250,253 in contributions from the District.

Contribution rates for the plan year reported as of June 30, 2020 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%

Pension 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 \$761,878 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was 0.02362811%, which was an increase of 0.00004776% from its proportion measured as of December 31, 2018.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

For the year ended June 30, 2020, the District recognized pension expense of \$280,244.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,446,218	\$ 723,735
Net differences between projected and actual earnings on pension plan investments	-	1,557,550
Changes in assumptions	59,370	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,072	1,837
Employer contributions subsequent to the measurement date	151,662	-
Total	\$ 1,660,322	\$ 2,283,122

\$151,662 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2021	\$ (229,986)
2022	(171,858)
2023	27,544
2024	(400,162)

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2019, 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:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. 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.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (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 describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse 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. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$1,961,972	\$(761,878)	\$(2,798,269)

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. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the district-wide statements as expenses when the related liabilities are incurred.

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

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

SCHOOL DISTRICT OF THORP

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The Statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF THORP

BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended June 30, 2020

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
REVENUES			
Property taxes	\$ 1,498,182	\$ 1,498,182	\$ -
Other local sources	55,750	57,693	1,943
Interdistrict sources	501,000	509,889	8,889
Intermediate sources	27,419	43,305	15,886
State sources	4,978,603	5,078,897	100,294
Federal sources	359,720	275,567	(84,153)
Other sources	26,100	75,527	49,427
Total Revenues	<u>7,446,774</u>	<u>7,539,060</u>	<u>92,286</u>
EXPENDITURES			
Instruction			
Regular instruction	3,493,987	3,366,046	127,941
Vocational instruction	421,916	400,662	21,254
Other instruction	244,475	218,923	25,552
Total Instruction	<u>4,160,378</u>	<u>3,985,631</u>	<u>174,747</u>
Support Services			
Pupil services	182,084	193,084	(11,000)
Instructional staff services	241,123	236,872	4,251
Administration	774,472	823,106	(48,634)
Buildings and grounds	485,729	567,603	(81,874)
Transportation	472,000	426,401	45,599
Debt payment	1,000	-	1,000
Other support services	381,328	459,517	(78,189)
Total Support Services	<u>2,537,736</u>	<u>2,706,583</u>	<u>(168,847)</u>
Total Expenditures	<u>6,698,114</u>	<u>6,692,214</u>	<u>5,900</u>
Excess of Revenues Over Expenditures	<u>748,660</u>	<u>846,846</u>	<u>98,186</u>
OTHER FINANCING SOURCES (USES)			
Sales of capital assets	1,500	-	(1,500)
Transfers out	(746,642)	(930,402)	(183,760)
Total Other Financing Sources (Uses)	<u>(745,142)</u>	<u>(930,402)</u>	<u>(185,260)</u>
Net Change in Fund Balance	<u>\$ 3,518</u>	<u>(83,556)</u>	<u>\$ (87,074)</u>
FUND BALANCE - Beginning of Year		<u>1,538,736</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,455,180</u>	

See independent auditors' report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF THORP

BUDGETARY COMPARISON SCHEDULE SPECIAL EDUCATION SPECIAL REVENUE FUND For the Year Ended June 30, 2020

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
REVENUES			
Interdistrict sources	\$ -	\$ 1,708	\$ 1,708
Intermediate sources	73,000	48,354	(24,646)
State sources	251,217	224,593	(26,624)
Federal sources	<u>107,625</u>	<u>138,123</u>	<u>30,498</u>
Total Revenues	<u>431,842</u>	<u>412,778</u>	<u>(19,064)</u>
EXPENDITURES			
Instruction			
Special instruction	<u>887,853</u>	<u>914,566</u>	<u>(26,713)</u>
Support Services			
Pupil services	123,432	135,004	(11,572)
Instructional staff services	116,615	132,999	(16,384)
Administration	2,000	7,217	(5,217)
Transportation	-	41,382	(41,382)
Other support services	<u>1,154</u>	<u>12,012</u>	<u>(10,858)</u>
Total Support Services	<u>243,201</u>	<u>328,614</u>	<u>(85,413)</u>
Total Expenditures	<u>1,131,054</u>	<u>1,243,180</u>	<u>(112,126)</u>
Excess of Revenues Over (Under) Expenditures	(699,212)	(830,402)	(131,190)
OTHER FINANCING SOURCES			
Transfers in	<u>699,212</u>	<u>830,402</u>	<u>131,190</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - Beginning of Year		-	
FUND BALANCE - END OF YEAR		<u>\$ -</u>	

See independent auditors' report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF THORP

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended June 30, 2020

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Liability/Asset	District's Proportionate Share of the Net Pension Liability (Asset)	District's Calendar Year Covered Payroll	District's Proportionate Share of the Net Pension Liability/Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.02362811%	\$ (761,878)	\$ 3,819,645	19.95%	102.96%
12/31/18	0.02358035%	838,914	3,573,740	23.47%	96.45%
12/31/17	0.02374426%	(704,995)	3,530,457	19.97%	102.93%
12/31/16	0.02359640%	194,491	3,431,377	5.67%	99.12%
12/31/15	0.02362546%	383,909	3,353,194	11.45%	98.20%
12/31/14	0.02363199%	(580,307)	3,266,284	17.77%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended June 30, 2020

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Fiscal Year Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/20	\$ 256,538	\$ 256,538	\$ -	\$ 3,869,277	6.63%
6/30/19	246,386	246,386	-	3,727,077	6.61%
6/30/18	232,245	232,245	-	3,445,410	6.74%
6/30/17	226,472	226,472	-	3,431,377	6.60%
6/30/16	229,161	229,161	-	3,353,194	6.83%
6/30/15	228,640	228,640	-	3,266,284	7.00%

See independent auditors' report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF THORP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2020

NOTE 1 – BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C. A budget has been adopted for all governmental funds in accordance with Sections 65.90 of the Wisconsin Statutes.

The budgeted amounts presented include any amendments made. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the two digit sub-function level of expenditures in the general fund and special education special revenue fund and at the function level for all other funds.

NOTE 2 – WISCONSIN RETIREMENT SYSTEM (WRS) PENSION

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

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

Changes of assumptions. No significant changes in assumptions were noted from the prior year.

S U P P L E M E N T A R Y I N F O R M A T I O N

SCHOOL DISTRICT OF THORP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2020

	Special Revenue Funds			Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Nonreferendum	Referendum	Capital Improvements Trust	
ASSETS							
Cash and investments	\$ 25,449	\$ -	\$ 17,634	\$ 58,397	\$ 71,870	\$ 2,008	\$ 175,358
Accounts receivable	-	3,026	-	-	-	-	3,026
Due from other governments	-	63,970	-	-	-	-	63,970
Due from other funds	-	-	-	-	-	100,000	100,000
TOTAL ASSETS	<u>\$ 25,449</u>	<u>\$ 66,996</u>	<u>\$ 17,634</u>	<u>\$ 58,397</u>	<u>\$ 71,870</u>	<u>\$ 102,008</u>	<u>\$ 342,354</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ 9,055	\$ -	\$ -	\$ -	\$ -	\$ 9,055
Deposits	-	8,654	-	-	-	-	8,654
Total Liabilities	-	17,709	-	-	-	-	17,709
Fund Balances							
Restricted	25,449	49,287	-	58,397	71,870	102,008	307,011
Assigned	-	-	17,634	-	-	-	17,634
Total Fund Balances	<u>25,449</u>	<u>49,287</u>	<u>17,634</u>	<u>58,397</u>	<u>71,870</u>	<u>102,008</u>	<u>324,645</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,449</u>	<u>\$ 66,996</u>	<u>\$ 17,634</u>	<u>\$ 58,397</u>	<u>\$ 71,870</u>	<u>\$ 102,008</u>	<u>\$ 342,354</u>

SCHOOL DISTRICT OF THORP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Special Revenue Funds			Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Nonreferendum	Referendum	Capital Improvements Trust	
REVENUES							
Property taxes	\$ -	\$ -	\$ 50,000	\$ 266,794	\$ 485,000	\$ -	\$ 801,794
Other local sources	19,124	80,548	1,410	-	-	3	101,085
State sources	-	9,291	-	-	-	-	9,291
Federal sources	-	370,945	-	-	-	-	370,945
Total Revenues	<u>19,124</u>	<u>460,784</u>	<u>51,410</u>	<u>266,794</u>	<u>485,000</u>	<u>3</u>	<u>1,283,115</u>
EXPENDITURES							
Instruction:							
Other instruction	<u>15,767</u>	-	-	-	-	-	<u>15,767</u>
Community Service	-	-	<u>60,731</u>	-	-	-	<u>60,731</u>
Support Services							
Debt service	-	-	-	270,319	314,450	-	584,769
Food service	-	411,497	-	-	-	-	411,497
Total Support Services	-	<u>411,497</u>	-	<u>270,319</u>	<u>314,450</u>	-	<u>996,266</u>
Total Expenditures	<u>15,767</u>	<u>411,497</u>	<u>60,731</u>	<u>270,319</u>	<u>314,450</u>	-	<u>1,072,764</u>
Excess of Revenues Over (Under) Expenditures	<u>3,357</u>	<u>49,287</u>	<u>(9,321)</u>	<u>(3,525)</u>	<u>170,550</u>	<u>3</u>	<u>210,351</u>
OTHER FINANCING SOURCES (USES)							
Payment to refunding escrow agent	-	-	-	-	(258,792)	-	(258,792)
Transfers from other funds	-	-	-	-	-	100,000	100,000
Total Other Financing Sources (Uses)	-	-	-	-	<u>(258,792)</u>	<u>100,000</u>	<u>(158,792)</u>
Net Change in Fund Balances	3,357	49,287	(9,321)	(3,525)	(88,242)	100,003	51,559
FUND BALANCES - Beginning of Year (as restated)	<u>22,092</u>	-	<u>26,955</u>	<u>61,922</u>	<u>160,112</u>	<u>2,005</u>	<u>273,086</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,449</u>	<u>\$ 49,287</u>	<u>\$ 17,634</u>	<u>\$ 58,397</u>	<u>\$ 71,870</u>	<u>\$ 102,008</u>	<u>\$ 324,645</u>

SCHOOL DISTRICT OF THORP

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	Custodial Funds		
	<u>Scholarship</u>	<u>Student Activity</u>	<u>Total</u>
ASSETS			
Cash and investments	<u>\$ 226,893</u>	<u>\$ 88,893</u>	<u>\$ 315,786</u>
NET POSITION			
Restricted	<u>\$ 226,893</u>	<u>\$ 88,893</u>	<u>\$ 315,786</u>

SCHOOL DISTRICT OF THORP

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	Custodial Funds		Total
	Scholarship	Student Activity	
ADDITIONS			
Other local sources	\$ 6,062	\$ 185,130	\$ 191,192
DEDUCTIONS			
Scholarships disbursed to students	9,750	-	9,750
Student activity disbursements	-	179,941	179,941
Total Deductions	<u>9,750</u>	<u>179,941</u>	<u>189,691</u>
Change in Fiduciary Net Position	(3,688)	5,189	1,501
NET POSITION - Beginning of Year (as restated)	<u>230,581</u>	<u>83,704</u>	<u>314,285</u>
NET POSITION - END OF YEAR	<u>\$ 226,893</u>	<u>\$ 88,893</u>	<u>\$ 315,786</u>