

Green Bay Area Public School District
Green Bay, Wisconsin

ANNUAL FINANCIAL REPORT

June 30, 2019



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

Green Bay Area Public School District

Green Bay, Wisconsin

JUNE 30, 2019

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
District-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Statement of Net Position - Pupil Activity Agency Fund	17
Notes to Basic Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund - Budgetary Basis	43
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Special Education Fund - Budgetary Basis	44
Schedule of Changes in Total OPEB Liability and Related Ratios	45
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	46
Schedule of Contributions - Wisconsin Retirement System	46
Schedule of Changes in Total Pension Liability and Related Ratios - Supplemental Pension Plan	47
Notes to Required Supplementary Information	48
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	53
Statement of Changes in Assets and Liabilities - Pupil Activity Funds	55
Schedule of Charter School Authorizer Operating Costs	56

Green Bay Area Public School District

Green Bay, Wisconsin

JUNE 30, 2019

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

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>	57
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

FEDERAL AND STATE AWARDS

Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	59
Schedule of Expenditures of Federal Awards	61
Schedule of Expenditures of State Awards	64
Notes to the Schedules of Expenditures of Federal and State Awards	65
Schedule of Findings and Questioned Costs	67



Independent auditors' report

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, 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.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 43 through 47 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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, are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Summarized Financial Information

The 2018 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated November 30, 2018, expressed unmodified opinions on those respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information from which the prior year summarized financial information was derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin
December 1, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS



Michelle S. Langenfeld, Ed.D.
Superintendent of Schools and Learning
200 South Broadway | Green Bay, WI 54303
Phone: (920) 448-2100 | www.gbaps.org

Management's Discussion and Analysis June 30, 2019

The management of the Green Bay Area Public School District offers readers of the District's basic financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. Readers should consider the information presented in the Management Discussion and Analysis in conjunction with the basic financial statements and the notes to the financial statements, which follow this narrative.

Financial Highlights

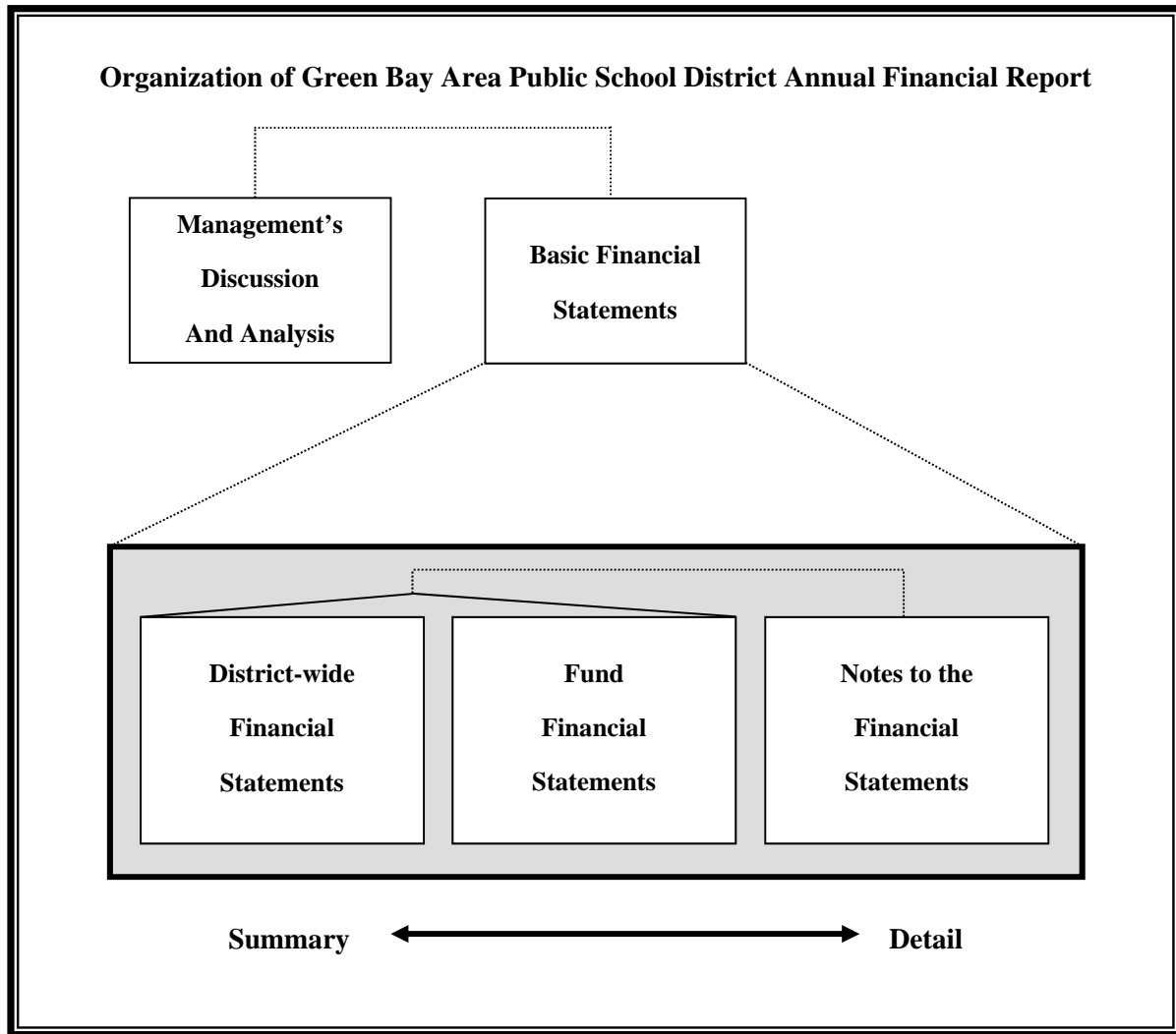
- The overall equalized property tax rate decreased from the prior year at \$10.10 per \$1,000 of property value for fiscal year 2018-19.
- The District added \$3.75 million to the general fund balance in 2018-19.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and Supplemental Information. The basic financial statements include two types of statements that present different financial perspectives of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the financial statements. The following chart shows how the parts of this annual report are arranged and related to one another.



District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District’s assets, deferred inflows and outflows of resources, and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when the related cash is received or paid.

The two district-wide statements report the District’s net position and how they have changed. Net position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District’s financial position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or declining, respectively.
- To assess the District’s overall financial position, you also need to consider additional non-financial factors such as changes in the property tax base and condition of District facilities.

In the district-wide financial statements, the District’s activities are reported in the following category:

- *Governmental activities:* Most of the District’s basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two types of funds:

- *Governmental funds:* Most of 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 spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

	District-wide Statements	Governmental Funds	Fiduciary Funds
	Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Out flow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Financial Analysis of the District as a Whole

Net Position. The District's *combined* net position was less on June 30, 2019 compared to the prior year.

Figure A-1			
Condensed Statement of Net Position			
(in millions of dollars)			
	Governmental Activities		Total Percentage Change
	2019	2018	2018-19
Assets			
Current assets	117.4	177.4	-33.8%
Capital assets	225.8	189.1	19.4%
Total Assets	343.2	366.5	-6.4%
Deferred Outflows of Resources			
	91.0	49.2	85.0%
Liabilities			
Long-term obligations	172.8	146.8	17.7%
Other liabilities	22.2	22.4	-0.9%
Total Liabilities	195.0	169.2	15.2%
Deferred Inflows of Resources			
	49.0	58.9	-16.8%
Net Position			
Net investment in capital assets	188.7	180.0	4.8%
Restricted	17.5	42.3	-58.6%
Unrestricted	(16.0)	(34.7)	-53.9%
Total Net Position	190.2	187.6	1.4%

Changes in net position. The District's governmental activities net position increased to \$2.6 million. (See Figure A-1.) The District's increase in financial position is the product of many factors. Assets decreased by \$23.3 million. The cash balance decreased significantly due to expenditures related to referendum projects. An increase in long term obligations resulted from an addition of \$35 million in pension liability due to the Wisconsin Retirement System being under 100% funded.

The District's total net position increased by \$2.6 million from total revenues of \$325.7 million. (See Figure A-2.) Property taxes and state formula aid accounted for most of the District's revenue, with each contributing about 27% and 53%, respectively. Another 16% came from federal and state aid for specific programs and local revenue sources.

The total cost of all programs and services was \$323 million. The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students, along with building maintenance. Instruction and student related costs accounted for 65% of the District's expense, while the District's administration, transportation, maintenance and business activities accounted for 17.5% of total costs. Interest on debt and other costs made up the remaining 17.4% of the total costs. (See Figure A-3.)

Figure A-2			
Changes in Net Position from Operating Results			
(in millions of dollars)			
	Governmental Activities		Percentage Change
	2019	2018	2018-19
Revenues			
Program Revenues			
Charges for services	6.1	5.8	5.2%
Operating grants and contributions	52.7	52.0	1.3%
General Revenues			
Property taxes	89.2	87.0	2.5%
State formula aid	172.6	166.4	3.7%
Other	5.0	5.4	-7.4%
Total Revenues	<u>325.6</u>	<u>316.6</u>	2.8%
Expenses			
Instruction	170.4	158.3	7.6%
Support services	120.1	119.4	0.6%
Non-program	22.7	19.5	16.4%
Interest on debt	2.5	3.1	-19.4%
Depreciation - unallocated	7.3	6.7	9.0%
Total Expenses	<u>323.0</u>	<u>307.0</u>	5.2%
Change in Net Position	2.6	9.6	-72.9%

Governmental Activities

Governmental activities increased the District's net position by \$2.6 million. Key elements of this increase are as follows:

- The District's expenditures increased by \$13.3 million due to the adjustment made to record the net change of the WRS pension liability.
- State formula aid increased by \$6.2 million, a 3.7% increase from prior year.

Figure A-3 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, interest on debt 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 placed on the District's taxpayers by each of these functions.

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018	2018-19	2019	2018	2018-19
Instruction	170.4	158.3	7.6%	139.8	127.0	10.1%
Pupil and instructional services	39.9	34.7	15.0%	30.5	25.3	20.6%
Administration and business	24.4	23.4	4.3%	23.2	22.9	1.3%
Maintenance and operations	22.8	21.0	8.6%	20.0	19.1	4.7%
Transportation	9.2	8.9	3.4%	8.1	7.9	2.5%
Interest on debt	2.5	3.1	-19.4%	2.5	3.1	-19.4%
Other	53.8	57.6	-6.6%	40.1	43.9	-8.7%
Total	323.0	307.0	5.2%	264.2	249.2	6.0%

- The cost of all *governmental* activities this year was \$323 million
- The users of the District's programs financed some of the cost. (2%)
- The federal and state governments subsidized certain programs with grants and contributions. (16.3%)
- The remaining portion of governmental activities was financed with \$89.2 million in property taxes, \$172.6 million of unrestricted state aid based on the statewide equalization aid formula, state categorical aids, and investment earnings.

Financial Analysis of the District's Funds

The strong financial health of the District as a whole is reflected in its general fund balance which increased by \$3.7 million. As the District completed the year, its governmental funds reported a combined fund balance of \$95.9 million, a decrease of \$30.8 million from the prior year. The decrease in fund balance is mostly due to the expenditures of the referendum capital projects.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget a number of times. These budget amendments fall into three categories:

- New Grant Revenues and Expenditures
- Site Budget Transfers
- Operating Transfers

Although the District's final budget for the general fund anticipated that expenditures would equal revenues, the actual results for the year showed revenues exceeded expenditures by \$3.7 million.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2018-19 fiscal year, the District had invested \$225.7 million in a broad range of capital assets including land, site improvements, buildings, and equipment. (More detailed information about capital assets can be found in Note 2.B. to the financial statements.) Total depreciation expense for the year was \$7.3 million. The large increases within the buildings and construction in progress categories was due to the finalization of some referendum and HVAC projects and the start of several referendum projects this past year.

Figure A-4 Capital Assets (in millions of dollars)			
	Governmental Activities		Total Percentage Change
	2019	2018	2018-19
Land	8.7	8.7	0.0%
Construction in progress	48.7	13.2	268.9%
Site improvements	8.1	7.3	11.0%
Buildings	274.7	268.5	2.3%
Machinery and equipment	15.3	14.0	9.3%
Accumulated depreciation	(129.8)	(122.6)	5.9%
Total	225.7	189.1	19.4%

Long-Term Debt

At year-end, the District had \$66.5 million in general obligation debt and \$106.3 million in retirement liabilities outstanding. (More detailed information about the District's long-term liabilities is presented in Note 2.D. to the financial statements.)

Figure A-5 Outstanding Long-term Obligations (in millions of dollars)			
	Governmental Activities		Total Percentage Change
	2019	2018	2018-19
General obligation debt	66.5	78.7	-15.5%
Other	106.3	68.1	56.1%
Total	172.8	146.8	17.7%

- The District holds an Aa2 rating from Moody's Investor Service.
- The increase in other postemployment benefits is due in large part to the amount of the WRS pension liability from an asset of \$29 million to a liability of \$35 million.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could impact its financial health in the future:

- The District increased the general fund balance by \$3,749,425 in 2018-19. The District's total general fund balance of \$49,344,822 exceeds the 15% minimum approved by the Board of Education.
- Enrollment has slightly decreased over the past year and will be closely followed as it will impact available financial resources.
- The health insurance industry is expected to increase premiums for the foreseeable future and could adversely affect employee benefit costs.
- Over the last several years, the District has utilized an energy efficiency exemption, an exemption to the state's revenue limits, to allocate financial resources towards maintenance projects enhancing many of the districts mechanical systems and building envelopes. Because this statute no longer exists, the District's will need to develop a strategic plan to address needs.
- The State of Wisconsin has finalized its biennial budget and the state continues to take a conservative approach to financial resources that are allocated to public school districts.
- The District successfully passed an operational referendum in April 2017 to allow for additional monies to maintain programmable offerings to students further ensuring the financial stability of the District. In addition, voters approved a \$68.25 million facilities referendum to address capacity, safety, security, and adequate and appropriate spaces.

Contacting the District's Financial Management

The financial report is designed to provide the District's 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 the Business Office of the Green Bay Area Public School District at 200 South Broadway, Green Bay, WI, 54303 or by calling (920) 448-2208.

BASIC FINANCIAL STATEMENTS

Green Bay Area Public School District

Green Bay, Wisconsin

STATEMENT OF NET POSITION

JUNE 30, 2019

WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2018

	Governmental Activities	
	2019	2018
ASSETS		
Cash and investments	\$ 80,716,698	\$ 114,479,007
Receivables		
Taxes	23,346,513	21,489,514
Accounts	496,267	1,447,923
Due from other governments	12,033,500	9,944,966
Inventories and prepaid items	854,645	713,459
Net pension asset	-	29,346,533
Capital assets		
Nondepreciable	57,475,948	21,930,018
Depreciable, net	168,279,471	167,166,278
Total assets	343,203,042	366,517,698
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	233,267	366,564
Pension related amounts	90,297,327	48,889,908
Other postemployment related amounts	446,020	-
Total deferred outflows of resources	90,976,614	49,256,472
LIABILITIES		
Accounts payable	7,736,775	7,965,512
Accrued and other current liabilities	6,136,685	5,812,725
Accrued interest payable	683,629	990,344
Unearned revenues	33,015	648,871
Health and dental claims payable	7,619,565	6,991,537
Long-term obligations		
Due in one year	9,176,853	12,210,000
Due in more than one year	73,791,309	78,820,165
Other postemployment benefits liability	26,677,876	25,606,493
Pension liability	63,122,749	30,186,172
Total liabilities	194,978,456	169,231,819
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	48,964,869	58,915,947
NET POSITION		
Net investment in capital assets	188,727,818	179,983,015
Restricted	17,554,362	42,340,330
Unrestricted	(16,045,849)	(34,696,941)
Total net position	\$ 190,236,331	\$ 187,626,404

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

Green Bay Area Public School District

Green Bay, Wisconsin

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2019	2018
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 170,372,177	\$ 4,239,918	\$ 26,358,658	\$ -	\$ (139,773,601)	\$ (127,326,859)
Support services	120,119,812	1,841,095	25,414,390	-	(92,864,327)	(92,774,696)
Non-program	22,663,549	-	882,419	-	(21,781,130)	(19,320,409)
Interest and fiscal charges	2,463,333	-	-	-	(2,463,333)	(3,090,172)
Depreciation - unallocated	7,331,370	-	-	-	(7,331,370)	(6,731,733)
Total governmental activities	\$ 322,950,241	\$ 6,081,013	\$ 52,655,467	\$ -	(264,213,761)	(249,243,869)
General revenues						
Property taxes					89,180,561	87,010,774
Other taxes					159,577	150,827
State and federal aids not restricted to specific functions					172,565,084	166,408,574
Interest and investment earnings					2,184,509	767,428
Gain on disposal of capital assets					59,532	28,807
Miscellaneous					2,674,425	4,421,189
Total general revenues					266,823,688	258,787,599
Change in net position					2,609,927	9,543,730
Net position - July 1					187,626,404	178,082,674
Net position - June 30					\$ 190,236,331	\$ 187,626,404

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

Green Bay Area Public School District

Green Bay, Wisconsin

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018

	General	Capital Projects	Other Governmental Funds	Totals	
				2019	2018
ASSETS					
Cash and investments	\$ 32,651,229	30,353,054	\$ 17,712,415	\$ 80,716,698	\$ 114,479,007
Receivables					
Taxes	23,346,513	-	-	23,346,513	21,489,514
Accounts	300,053	-	196,214	496,267	1,447,923
Due from other funds	1,162,695	-	-	1,162,695	290,786
Due from other governments	9,446,243	-	2,587,257	12,033,500	9,944,966
Inventories and prepaid items	336,496	-	518,149	854,645	713,459
Total assets	<u>\$ 67,243,229</u>	<u>\$ 30,353,054</u>	<u>\$ 21,014,035</u>	<u>\$ 118,610,318</u>	<u>\$ 148,365,655</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,109,142	2,532,433	\$ 1,095,200	\$ 7,736,775	\$ 7,965,512
Accrued and other current liabilities	6,136,685	-	-	6,136,685	5,812,725
Due to other funds	-	-	1,162,695	1,162,695	290,786
Unearned revenues	33,015	-	-	33,015	648,871
Health and dental claims payable	7,619,565	-	-	7,619,565	6,991,537
Total liabilities	<u>17,898,407</u>	<u>2,532,433</u>	<u>2,257,895</u>	<u>22,688,735</u>	<u>21,709,431</u>
Fund balances					
Nonspendable	336,496	-	518,149	854,645	713,459
Restricted	-	27,820,621	18,237,991	46,058,612	80,618,747
Assigned	13,000,000	-	-	13,000,000	13,000,000
Unassigned	36,008,326	-	-	36,008,326	32,324,018
Total fund balances	<u>49,344,822</u>	<u>27,820,621</u>	<u>18,756,140</u>	<u>95,921,583</u>	<u>126,656,224</u>
Total liabilities and fund balances	<u>\$ 67,243,229</u>	<u>\$ 30,353,054</u>	<u>\$ 21,014,035</u>	<u>\$ 118,610,318</u>	<u>\$ 148,365,655</u>

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

Green Bay Area Public School District

Green Bay, Wisconsin

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 95,921,583	\$ 126,656,224
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	225,755,419	189,096,296
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net pension asset	-	29,346,533
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred charge on advance refunding	233,267	366,564
Deferred outflows related to pensions	90,297,327	48,889,908
Deferred inflows related to pensions	(48,964,869)	(58,915,947)
Deferred outflows related to other postemployment benefits	446,020	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable	(66,500,000)	(78,710,000)
Premium on debt	(2,771,489)	(3,169,451)
Compensated absences	(9,929,820)	(9,150,714)
Other postemployment benefits liability	(27,994,046)	(25,606,493)
Pension liability	(65,573,432)	(30,186,172)
Accrued interest on long-term obligations	(683,629)	(990,344)
Net position of governmental activities as reported on the statement of net position (see page 11)	<u>\$ 190,236,331</u>	<u>\$ 187,626,404</u>

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

Green Bay Area Public School District

Green Bay, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

	General	Capital Projects	Other Governmental Funds	Totals	
				2019	2018
REVENUES					
Property taxes	\$ 72,184,353	\$ -	\$ 16,996,208	\$ 89,180,561	\$ 87,010,774
Other local sources	2,451,166	1,214,558	3,882,915	7,548,639	5,912,594
Interdistrict sources	3,464,711	-	-	3,464,711	2,943,698
Intermediate sources	9,338	-	-	9,338	1,858
State sources	194,055,045	-	169,325	194,224,370	185,776,361
Federal sources	16,330,765	-	12,426,514	28,757,279	30,617,541
Other sources	1,706,665	-	667,073	2,373,738	4,302,765
Total revenues	290,202,043	1,214,558	34,142,035	325,558,636	316,565,591
EXPENDITURES					
Instruction					
Regular instruction	83,717,008	-	2,804,983	86,521,991	84,453,789
Vocational instruction	6,298,415	-	-	6,298,415	6,597,189
Special education instruction	35,826,462	-	-	35,826,462	34,900,067
Other instruction	28,450,526	-	684,021	29,134,547	28,779,974
Total instruction	154,292,411	-	3,489,004	157,781,415	154,731,019
Support services					
Pupil services	18,872,397	-	991,153	19,863,550	19,439,520
Instructional staff services	15,122,503	-	88,341	15,210,844	14,112,455
General administration services	4,854,025	-	1,268,391	6,122,416	5,598,961
School administration services	14,668,223	-	718,825	15,387,048	15,409,599
Business services	2,458,878	-	-	2,458,878	2,120,800
Operations and maintenance of plant	25,655,665	40,028,543	227,196	65,911,404	40,521,406
Pupil transportation services	8,932,533	-	287,915	9,220,448	8,901,207
Food services	-	-	11,473,116	11,473,116	10,625,467
Central services	1,902,955	-	-	1,902,955	15,963,976
Insurance	875,043	-	-	875,043	805,222
Other support services	12,283,259	-	-	12,283,259	3,004,809
Total support services	105,625,481	40,028,543	15,054,937	160,708,961	136,503,422
Debt service					
Principal	-	-	12,210,000	12,210,000	15,150,000
Interest and fiscal charges	4,537	-	3,030,176	3,034,713	2,545,072
Total debt service	4,537	-	15,240,176	15,244,713	17,695,072
Non-program					
General tuition payments	16,899,545	-	-	16,899,545	15,803,239
Special education tuition payments	771,292	-	-	771,292	519,089
Adjustments and refunds	176,729	-	28,538	205,267	458,026
Voucher payments	4,694,487	-	-	4,694,487	2,618,007
Revenue transits to others	47,258	-	-	47,258	73,990
Trust fund disbursements	-	-	45,700	45,700	50,584
Total non-program	22,589,311	-	74,238	22,663,549	19,522,935
Total expenditures	282,511,740	40,028,543	33,858,355	356,398,638	328,452,448
Excess of revenues over (under) expenditures	7,690,303	(38,813,985)	283,680	(30,840,002)	(11,886,857)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	75,250,000
Premium on debt issued	-	-	-	-	2,974,604
Proceeds from sale of capital assets	105,361	-	-	105,361	22,787
Transfers in	52,149	-	4,098,388	4,150,537	11,559,547
Transfers out	(4,098,388)	-	(52,149)	(4,150,537)	(11,559,547)
Total other financing sources (uses)	(3,940,878)	-	4,046,239	105,361	78,247,391
Net change in fund balances	3,749,425	(38,813,985)	4,329,919	(30,734,641)	66,360,534
Fund balances - July 1	45,595,397	66,634,606	14,426,221	126,656,224	60,295,690
Fund balances - June 30	<u>\$ 49,344,822</u>	<u>\$ 27,820,621</u>	<u>\$ 18,756,140</u>	<u>\$ 95,921,583</u>	<u>\$ 126,656,224</u>

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

Green Bay Area Public School District

Green Bay, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (30,734,641)	\$ 66,360,534
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay reported in governmental fund statements	44,094,322	18,834,905
Depreciation expense reported in the statement of activities	(7,331,370)	(6,731,733)
Net book value of disposals	(103,829)	(18,980)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	-	(75,250,000)
Premium on debt issued	-	(2,974,604)
Principal repaid	12,210,000	15,150,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	306,715	(757,544)
Amortization of premiums, discounts and deferred charge on advance refunding	264,665	212,444
Compensated absences	(779,106)	387,025
Pension asset/liability	(64,733,793)	38,026,777
Deferred outflows of resources related to pensions	41,407,419	(9,016,321)
Deferred inflows of resources related to pensions	9,951,078	(32,605,645)
Other postemployment benefits	(2,387,553)	(2,073,128)
Deferred outflows of resources related to other postemployment benefits	446,020	-
Change in net position of governmental activities as reported in the statement of activities (see page 12)	<u>\$ 2,609,927</u>	<u>\$ 9,543,730</u>

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

Green Bay Area Public School District Green Bay, Wisconsin

STATEMENT OF NET POSITION PUPIL ACTIVITY AGENCY FUND

JUNE 30, 2019

WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	<u>\$ 852,697</u>	<u>\$ 939,524</u>
LIABILITIES		
Due to student organizations	<u>\$ 852,697</u>	<u>\$ 939,524</u>

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The District is organized as a common school district. The District, governed by an elected seven member board, operates grades 4K through 12 and is comprised of all or parts of eight taxing districts. In accordance with GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements.

B. DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are primarily supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund

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

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities

Additionally, the District reports the following fund types:

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

1. Cash and Investments

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

2. Property Taxes

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

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

3. Accounts Receivable

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

4. Interfund Receivables and Payables

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

5. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. Capital Assets

Capital assets, which include property, plant and equipment are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost greater than shown and an estimated useful life in excess of five years.

<u>Assets</u>	<u>Governmental Activities Cost</u>
Site improvements	\$ 25,000
Buildings	25,000
Machinery and equipment	5,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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

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

8. Compensated Absences

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to varying maximum amounts. Upon retirement, the employees are entitled to 46% to 70% of the unused portion, which is used to pay their group health insurance until the vested amount is exhausted. Certain classifications of employees may receive amounts due in cash. The District employees are also granted vacation days in varying amounts based on length of service. Upon retirement or termination of employment, the employees are paid for the unused portion. All vacation leave is accrued when incurred in the district-wide statements. Sick leave for employees aged 55 and older is also accrued in the district-wide statements. Expenditures for these benefits are recognized as paid in the fund financial statements.

9. Deferred Outflows/Inflows of Resources

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

10. Long-term Obligations

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

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

11. Pensions

Wisconsin Retirement System

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Supplemental Pension Plan

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

12. Other Postemployment Benefits Other Than Pensions (OPEB)

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

13. Fund Equity

Governmental Fund Financial Statements

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

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

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

District-wide Statements

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

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the District's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

G. RECLASSIFICATIONS

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

NOTE 2: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments totaled \$81,569,395 on June 30, 2019 as summarized below:

Petty cash and cash on hand	\$ 6,475
Deposits with financial institutions	15,797,819
Beneficial interest in investment in Community Foundation Investments	286,589
Wisconsin investment series cooperative	<u>65,478,512</u>
	<u>\$ 81,569,395</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 80,716,698
Fiduciary fund statement of net position	
Agency fund	<u>852,697</u>
	<u>\$ 81,569,395</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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.

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.

The District has the following fair value measurements as of June 30, 2019:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Beneficial interest in investments held by Community Foundation	\$ -	\$ -	\$ 286,598

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

Custodial Credit Risk

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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

As of June 30, 2019, \$11,377,865 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits of which \$11,358,904 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Beneficial interest in investments held by Community Foundation	\$ 286,589	\$ -	\$ -	\$ -	\$ 286,589
Wisconsin investment series Cooperative	65,478,512	-	65,478,512	-	-
Totals	\$ 65,765,101	\$ -	\$ 65,478,512	\$ -	\$ 286,589

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Beneficial interest in investments held by Community Foundation	\$ 286,589	\$ 286,589	\$ -	\$ -	\$ -
Wisconsin investment series Cooperative	65,478,512	65,478,512	-	-	-
Totals	<u>\$ 65,765,101</u>	<u>\$ 65,765,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$77,932,312 at year-end consisting of \$5,148,029 invested in the Cash Management Series, \$60,330,483 invested in the Investment Series, and \$12,453,800 in certificates of deposit. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

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

Beneficial Interest in Assets Held by Community Foundation

Beneficial interest in assets held by the community foundation represents amounts held at Greater Green Bay Community Foundation, Inc. (the "Foundation"). These amounts are the legal assets of the Foundation with the restriction that the Foundation makes distributions to the District as needed. The agreement governing the assets includes a variance power allowing the Foundation to modify the restrictions to the distributions from the funds.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

B. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 8,729,996	\$ -	\$ -	\$ 8,729,996
Construction in progress	13,200,022	39,572,210	4,026,280	48,745,952
Total capital assets, nondepreciable	<u>21,930,018</u>	<u>39,572,210</u>	<u>4,026,280</u>	<u>57,475,948</u>
Capital assets, depreciable:				
Site improvements	7,249,533	834,155	-	8,083,688
Buildings	268,476,414	6,212,812	-	274,689,226
Machinery and equipment	14,041,926	1,501,425	265,674	15,277,677
Subtotals	<u>289,767,873</u>	<u>8,548,392</u>	<u>265,674</u>	<u>298,050,591</u>
Less accumulated depreciation for:				
Site improvements	4,426,544	284,138	-	4,710,682
Buildings	108,273,624	6,304,321	-	114,577,945
Machinery and equipment	9,901,427	742,911	161,845	10,482,493
Subtotals	<u>122,601,595</u>	<u>7,331,370</u>	<u>161,845</u>	<u>129,771,120</u>
Total capital assets, depreciable, net	<u>167,166,278</u>	<u>1,217,022</u>	<u>103,829</u>	<u>168,279,471</u>
Governmental activities capital assets, net	<u>\$ 189,096,296</u>	<u>\$ 40,789,232</u>	<u>\$ 4,130,109</u>	225,755,419
Less: Capital related debt				34,489,379
Less: Debt premium				2,771,489
Add: Deferred charge on refunding				<u>233,267</u>
Net investment in capital assets				<u>\$ 188,727,818</u>

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

C. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the District, as reported in the fund financial statements, as of June 30, 2019 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General	\$ 1,162,695	\$ -
Indian education	-	45,018
Headstart	-	1,117,677
Totals	<u>\$ 1,162,695</u>	<u>\$ 1,162,695</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Interfund transfers for the year ended June 30, 2019 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 52,149	\$ 4,098,388
Headstart	-	52,149
Non-Referendum debt service	4,069,850	-
Food service	28,538	-
	<u>\$ 4,150,537</u>	<u>\$ 4,150,537</u>

Interfund transfers were made for the following purposes:

To transfer indirect cost amount from Headstart	\$ 52,149
To transfer funds for debt retirement	4,069,850
To transfer funds for uncollectible lunch balances	28,538
	<u>\$ 4,150,537</u>

D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2019:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 63,280,000	\$ -	\$ 1,875,000	\$ 61,405,000	\$ 2,135,000
Notes	15,430,000	-	10,335,000	5,095,000	2,375,000
Total general obligation debt	<u>78,710,000</u>	<u>-</u>	<u>12,210,000</u>	<u>66,500,000</u>	<u>4,510,000</u>
Debt premium	3,169,451	-	397,962	2,771,489	-
Compensated absences	9,150,714	1,851,816	1,072,710	9,929,820	900,000
Governmental activities Long-term obligations	<u>\$ 91,030,165</u>	<u>\$ 1,851,816</u>	<u>\$ 13,680,672</u>	<u>\$ 79,201,309</u>	<u>\$ 5,410,000</u>

Total interest paid during the year on long-term debt totaled \$2,363,268, net of recorded interest rebates.

Cash Defeasance

In prior years, the District defeased \$7,295,000 of a general obligation bond issues using available District cash. As a result, the liabilities have been removed from the financial statements.

At June 30, 2019, \$5,835,000 of outstanding general obligation bonds are considered defeased.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 6/30/19</u>
General obligation notes	12/28/09	09/15/19	0.00%	\$ 500,000	\$ 60,000
General obligation bonds	06/28/10	09/15/20	0.00%	2,965,000	600,000
General obligation notes	08/16/10	04/01/20	4.30%	8,520,000	1,265,000
General obligation notes	08/16/10	04/01/20	4.30%	8,050,000	805,000
General obligation bonds	12/11/12	04/01/21	1.50 - 1.90%	10,275,000	4,190,000
General obligation notes	06/23/14	04/01/21	1.50 - 3.00%	20,000,000	1,265,000
General obligation notes	07/06/15	04/01/22	3.00%	9,000,000	1,700,000
General obligation bonds	07/12/17	04/01/37	3.125 - 4.00%	56,615,000	56,615,000

Total outstanding general obligation debt \$ 66,500,000

Annual principal and interest maturities of the outstanding general obligation debt of \$66,500,000 on June 30, 2019 are detailed below:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 4,510,000	\$ 2,734,515	\$ 7,244,515
2021	5,150,000	1,986,827	7,136,827
2022	4,280,000	1,852,482	6,132,482
2023	2,690,000	1,698,282	4,388,282
2024	2,810,000	1,590,682	4,400,682
2025 - 2029	16,045,000	6,698,660	22,743,660
2030 - 2034	19,190,000	3,842,460	23,032,460
2035 - 2037	11,825,000	699,064	12,524,064
	<u>\$ 66,500,000</u>	<u>\$ 21,102,972</u>	<u>\$ 87,602,972</u>

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

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2019 was \$876,175,573 as follows:

Equalized valuation of the District		\$ 9,312,034,059
Statutory limitation percentage		(x) 10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		931,203,406
Total outstanding general obligation debt applicable to debt limitation	\$ 66,500,000	
Less: Amounts available for financing general obligation debt		
Debt service fund, less accrued interest	11,472,167	
Net outstanding general obligation debt applicable to debt limitation		55,027,833
Legal margin for new debt		<u>\$ 876,175,573</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

E. OPERATING LEASES

The District leases various equipment under long-term operating leases. Following is a schedule, by years, of future minimum rental payments required under long-term operating leases:

Year Ending June 30,	Amount
2020	\$ 1,065,544
2021	1,036,935
2022	128,441
2023	110,727
2024	74,042
2025-2026	92,552
Total minimum payments required	<u>\$ 2,508,241</u>

Rent expense under all operating leases for the year ended June 30, 2019 amounted to \$1,049,463.

F. PENSION PLANS

The District reports pension related balances at June 30, 2019, as summarized below:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Wisconsin Retirement System (WRS)	\$ 34,962,343	\$ 89,981,222	\$ 48,485,086	\$ 23,357,049
Supplemental or stipend pension plan	30,611,089	316,105	479,783	2,349,077
Total	<u>\$ 65,573,432</u>	<u>\$ 90,297,327</u>	<u>\$ 48,964,869</u>	<u>\$ 25,706,126</u>

1. WRS Pension Plan Description

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

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

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

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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.

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0.0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

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

During the reporting period July 1, 2018 through June 30, 2019, the WRS recognized \$10,459,586 in contributions from the District.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At June 30, 2019, the District reported a liability of \$34,962,343 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.98272693%, which was a decrease of 0.00566514% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$23,357,049.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,230,370	\$ 48,133,502
Net differences between projected and actual earnings on pension plan investments	51,060,107	-
Changes in assumptions	5,893,373	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,436	351,584
Employer contributions subsequent to the measurement date	5,785,936	-
Total	<u>\$ 89,981,222</u>	<u>\$ 48,485,086</u>

The \$5,785,936 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Expense</u>
2020	\$ 12,831,600
2021	3,188,863
2022	5,696,334
2023	13,993,403
Total	<u>\$ 35,710,200</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Measurement date of net pension liability (asset):	December 31, 2018
Actuarial cost method:	Entry Age
Asset valuation method:	Fair 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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

	<u>Current Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
Core Fund Asset Class			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
Variable Fund Asset Class			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

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

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase to Discount Rate (8.0%)</u>
District's proportionate share of the net pension liability (asset)	\$ 138,944,016	\$ 34,962,343	\$ (42,356,094)

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Payable to the Pension Plan

At June 30, 2019, the District reported a payable of \$2,049,206 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2019.

2. Supplemental or Stipend Pension Plan

Pension Description

The plan, previously disclosed as the supplemental pension obligation, a single-employer pension plan, is a defined benefit pension plan established to provide benefits after early retirement. The plan is administered by the District.

Benefits Provided

A summary of eligibility requirements and plan benefits follows:

Pension	Eligibility Requirements		Benefit	Plan Benefit
	Age	Service	Duration	
Teachers and Administrators	55	N/A	3 years	Hired prior to July 1, 1992: 100% of the participant's final salary paid out in monthly installments.
Teachers and Administrators	55	15 years	3 years	Hired between July 1, 1992 and June 30, 2002: Compensation at 75% of participant's final annual salary paid out in monthly installments.
Teachers and Administrators	55	15 years	3 years	Hired between July 1, 2002 and June 30, 2008: Compensation at 50% of participant's final annual salary paid out in monthly installments.
Teachers and Administrators	55	15 years	3 years	Hired between July 1, 2008 and June 30, 2011: Compensation at 25% of participant's final annual salary paid out in monthly installments.

Employees Covered by Benefit Terms

As of the June 30, 2017 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	114
Active employees	1,127
	1,241

Funding Policy

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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

<u>Component</u>	<u>Amount</u>
Total pension liability at June 30, 2018	\$ 30,186,172
Changes for the year:	
Service cost	1,258,208
Interest	1,112,568
Differences between expected and actual experience	-
Changes of assumptions or other input	347,716
Benefit payments	<u>(2,293,575)</u>
Net changes	424,917
Total pension liability at June 30, 2019	<u>\$ 30,611,089</u>

For the year ended June 30, 2019, the District recognized pension expense of \$2,349,077.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 205,846
Changes in assumptions	316,105	273,937
Total	<u>\$ 316,105</u>	<u>\$ 479,783</u>

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

<u>Year Ended June 30,</u>	<u>Expense</u>
2020	\$ (21,699)
2021	(21,699)
2022	(21,699)
2023	(21,699)
2024	(21,699)
Thereafter	(55,183)
Total	<u>\$ (163,678)</u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2019 and the total pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of salary, closed basis
Actuarial assumptions:	
Discount rate	3.50%
Inflation	2.50%

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Single Discount Rate. A single discount rate of 3.50% was used to measure the total pension liability. This single discount rate was based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Sensitivity of the District's total pension liability to changes in the discount rate. The following presents the District's total pension liability at June 30, 2019 calculated using the discount rate of 3.50%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate.

	1% Decrease to Discount Rate (2.50%)	Current Discount Rate (3.50%)	1% Increase to Discount Rate (4.50%)
Total pension liability	\$ 32,015,553	\$ 30,611,089	\$ 29,230,933

The sensitivity of the District's total pension liability was determined based on the actuarial date while the total pension liability of \$30,611,089 was based on the District's fiscal year ended June 30, 2019, as rolled forward by the District's actuary.

Payable to the Supplemental Pension Plan

At June 30, 2019, the District reported no amount for the outstanding amount of contributions to the Plan required for the year ended June 30, 2019.

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District until they die or opt out of the coverage. Eligible retired employees have access to group medical coverage through the District's group plan. All employees of the District are eligible for the Plan if they meet the following age and service requirements below. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

Benefits Provided

The benefit is the difference in the individual premium cost and what the cost would be for each active employee if the retirees were not a part of the group plan. This represents an implicit rate subsidy that the District pays to allow the retirees to be in the group plan.

Employees Covered by Benefit Terms

As of the June 30, 2017 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	402
Active employees	2,487
	<u>2,889</u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Actuarial Assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary increases:	Ranges from 0.2% to 5.6% depending on years of service plus 3% inflation
Discount rate:	3.50%
Healthcare cost trend rates:	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0% and level thereafter

Mortality rates are the same as those used in the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the June 30, 2017 valuation were based on the "Wisconsin Retirement System 2012 - 2014 Experience Study" conducted in 2015.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.50%. The discount rate is based upon the Bond Buyer 20-year Bond GO Index as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 25,606,493
Changes for the year:	
Service cost	2,188,633
Interest	977,483
Changes of assumptions or other input	490,622
Benefit payments	(1,269,185)
Net changes	2,387,553
Balance at June 30, 2019	<u>\$ 27,994,046</u>

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

	1% Decrease to Discount Rate (2.50%)	Current Discount Rate (3.50%)	1% Increase to Discount Rate (4.50%)
Total OPEB liability	\$ 30,031,216	\$ 27,994,046	\$ 26,077,430

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) 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	\$ 24,618,609	\$ 27,994,046	\$ 31,995,152

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$3,210,718. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	446,020	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 446,020</u>	<u>\$ -</u>

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

Year Ended June 30,	Expense
2020	\$ 44,602
2021	44,602
2022	44,602
2023	44,602
2024	44,602
Thereafter	223,010
Total	<u>\$ 446,020</u>

Payable to the OPEB Plan

At June 30, 2019, the District reported no amount owing for the outstanding amount of contribution to the Plan required for the year ended June 30, 2019.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2019, nonspendable fund balance was as follows:

	<u>General</u>	<u>Nonmajor</u>
Nonspendable		
Inventories and prepaid items	\$ 336,496	\$ 518,149

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2019, restricted fund balance was as follows:

Special Revenue Funds		
Restricted for		
Donor intentions		\$ 1,151,610
Scholarships		450,349
Community service		1,762,649
Food service		<u>2,717,587</u>
Total Special Revenue Funds restricted fund balance		<u>6,082,195</u>
Debt Service Funds		
Restricted for		
Non-Referendum debt payments		6,822,767
Referendum debt payments		<u>5,333,029</u>
Total Debt Service Funds restricted fund balance		<u>12,155,796</u>
Capital Projects Fund		
Restricted for		
Future capital projects		<u>27,820,621</u>
Total restricted fund balance		<u>\$ 46,058,612</u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At June 30, 2019, fund balance was assigned as follows:

General Fund		
Assigned for		
Self-insurance health and dental claims		<u>\$ 13,000,000</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

Minimum General Fund Balance Policy

The District has also adopted a minimum unrestricted (committed, assigned, and unassigned) fund balance policy of 15% of expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2019 - 20 General Fund Expenditures	\$ 296,288,024
Minimum fund balance %	(x) 15%
Minimum fund balance amount	<u>\$ 44,443,204</u>

The District's committed, assigned and unassigned general fund balance of \$49,008,326 is above the minimum fund balance amount.

Net Position

The District reports restricted net position at June 30, 2019 as follows:

Governmental activities	
Restricted for	
Donor intentions	\$ 1,151,610
Scholarships	450,349
Community services	1,762,649
Food services	2,717,587
Debt service	<u>11,472,167</u>
Total restricted net position	<u>\$ 17,554,362</u>

NOTE 3: OTHER INFORMATION

A. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage. The District has chosen to retain a portion of the risks through a self-insurance program as follows:

The District has established a self-funded health and dental benefit plan for its employees. The Plan administers, Arise and Humana, are responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is responsible for a monthly administrative fee. The Plan reports on a fiscal year ended June 30. Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. The Plan is accounted for in the general fund of the District.

As part of the health care coverage of the Plan, the District purchases stop-loss coverage which pays claims in excess of \$500,000 per individual for healthcare coverage. The District has no stop-loss coverage for dental care coverage of the Plan.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

At June 30, 2019, the District reported a liability of \$7,619,565 which represents reported and unreported claims which were incurred on or before June 30, 2019, but were not paid by the District as of that date. The amounts not reported to the District were estimated using data provided by the plan administrators. Changes in the program's claim liability amount for the year ended June 30, 2019 with comparative totals for the prior year follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2019	\$ 6,991,537	\$ 50,152,441	\$ 49,524,413	\$ 7,619,565
2018	4,182,568	50,974,198	48,165,229	6,991,537

B. CONTINGENCIES

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

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

C. LIMITATION ON SCHOOL DISTRICT REVENUES

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

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

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

D. UPCOMING ACCOUNTING PRONOUNCEMENTS

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

E. SUBSEQUENT EVENTS

On November 18, 2019, the District issued \$40,090,000 general obligation refunding bonds. The debt issuance was used to advance refund a portion of the July 12, 2017 general obligation school building and improvement bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Green Bay Area Public School District

Green Bay, Wisconsin

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 72,184,353	\$ 72,184,353	\$ 72,184,353	\$ -
Other local sources	1,930,267	1,930,267	2,451,166	520,899
Interdistrict sources	2,959,056	2,959,056	3,270,355	311,299
Intermediate sources	8,704	10,704	9,338	(1,366)
State sources	183,172,756	184,439,925	183,668,236	(771,689)
Federal sources	12,545,596	13,140,755	12,168,510	(972,245)
Other sources	1,737,072	1,737,072	1,706,665	(30,407)
Total revenues	<u>274,537,804</u>	<u>276,402,132</u>	<u>275,458,623</u>	<u>(943,509)</u>
EXPENDITURES				
Instruction				
Regular instruction	87,308,455	85,674,304	83,717,008	1,957,296
Vocational instruction	6,091,716	6,155,637	6,292,612	(136,975)
Other instruction	30,153,375	30,236,399	28,448,650	1,787,749
Total instruction	<u>123,553,546</u>	<u>122,066,340</u>	<u>118,458,270</u>	<u>3,608,070</u>
Support services				
Pupil services	13,150,876	13,315,633	12,437,517	878,116
Instructional staff services	13,928,027	14,384,548	13,538,152	846,396
General administration services	4,752,362	4,780,544	4,854,025	(73,481)
School administration services	14,740,308	14,698,359	14,668,223	30,136
Business services	2,462,773	2,850,344	2,458,878	391,466
Operations and maintenance of plant	25,504,174	26,685,158	25,652,112	1,033,046
Pupil transportation services	7,580,517	7,549,886	6,876,750	673,136
Central services	1,947,874	1,945,900	1,883,618	62,282
Insurance	953,684	953,684	875,043	78,641
Other support services	11,548,469	12,060,658	11,785,701	274,957
Total support services	<u>96,569,064</u>	<u>99,224,714</u>	<u>95,030,019</u>	<u>4,194,695</u>
Debt service				
Interest and fiscal charges	2,700	2,700	4,537	(1,837)
Non-program				
General tuition payments	16,575,437	17,271,237	16,899,545	371,692
Adjustments and refunds	90,000	90,000	176,729	(86,729)
Voucher payments	4,742,626	4,742,626	4,694,487	48,139
Total non-program	<u>21,408,063</u>	<u>22,103,863</u>	<u>21,770,761</u>	<u>333,102</u>
Total expenditures	<u>241,533,373</u>	<u>243,397,617</u>	<u>235,263,587</u>	<u>8,134,030</u>
Excess of revenues over expenditures	<u>33,004,431</u>	<u>33,004,515</u>	<u>40,195,036</u>	<u>7,190,521</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	20,000	20,000	105,361	85,361
Transfers in	176,979	176,979	52,728	(124,251)
Transfers out	(33,201,410)	(33,201,410)	(36,603,700)	(3,402,290)
Total other financing sources (uses)	<u>(33,004,431)</u>	<u>(33,004,431)</u>	<u>(36,445,611)</u>	<u>(3,441,180)</u>
Net change in fund balance	-	84	3,749,425	3,749,341
Fund balance - July 1	<u>45,595,397</u>	<u>45,595,397</u>	<u>45,595,397</u>	-
Fund balance - June 30	<u>\$ 45,595,397</u>	<u>\$ 45,595,481</u>	<u>\$ 49,344,822</u>	<u>\$ 3,749,341</u>

See notes to required supplementary information.

Green Bay Area Public School District

Green Bay, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - SPECIAL EDUCATION FUND - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict sources	\$ 207,093	\$ 207,093	\$ 194,356	\$ (12,737)
State sources	10,427,043	10,432,042	10,386,809	(45,233)
Federal sources	5,468,715	5,424,325	4,162,255	(1,262,070)
Total revenues	16,102,851	16,063,460	14,743,420	(1,320,040)
EXPENDITURES				
Instruction				
Vocational instruction	3,000	5,777	5,803	(26)
Special education instruction	37,505,545	36,764,028	35,826,462	937,566
Other instruction	7,300	7,300	1,876	5,424
Total instruction	37,515,845	36,777,105	35,834,141	942,964
Support services				
Pupil services	6,538,631	6,536,169	6,434,880	101,289
Instructional staff services	1,838,261	1,683,244	1,584,351	98,893
Operations and maintenance of plant	6,000	4,992	3,553	1,439
Pupil transportation services	2,244,229	2,284,229	2,055,783	228,446
Central services	16,000	22,180	19,337	2,843
Other support services	502,404	502,404	497,558	4,846
Total support services	11,145,525	11,033,218	10,595,462	437,756
Non-program				
Special education tuition payments	457,000	1,257,062	771,292	485,770
Revenue transits to others	53,161	53,161	47,258	5,903
Total non-program	510,161	1,310,223	818,550	491,673
Total expenditures	49,171,531	49,120,546	47,248,153	1,872,393
Excess of revenues under expenditures	(33,068,680)	(33,057,086)	(32,504,733)	552,353
OTHER FINANCING SOURCES (USES)				
Transfers in	33,201,410	33,201,410	32,505,312	(696,098)
Transfers out	(132,730)	(144,324)	(579)	143,745
Total other financing sources (uses)	33,068,680	33,057,086	32,504,733	(552,353)
Net change in fund balance	-	-	-	-
Fund balance - July 1	-	-	-	-
Fund balance - June 30	\$ -	\$ -	\$ -	\$ -

See notes to required supplementary information.

Green Bay Area Public School District

Green Bay, Wisconsin

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

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 2,188,633	\$ 2,188,633
Interest	977,483	904,415
Changes of assumptions	490,622	-
Benefit payments	<u>(1,269,185)</u>	<u>(1,019,920)</u>
Net change in total OPEB liability	2,387,553	2,073,128
Total OPEB liability - beginning	<u>25,606,493</u>	<u>23,533,365</u>
Total OPEB liability - ending	<u>\$ 27,994,046</u>	<u>\$ 25,606,493</u>
Covered-employee payroll	\$ 144,802,792	\$ 144,802,792
District's total OPEB liability as a percentage of covered-employee payroll	19.33%	17.68%

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

See notes to required supplementary information.

Green Bay Area Public School District

Green Bay, Wisconsin

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.95790000%	\$ (23,529,492)	\$ 136,779,918	17.20%	102.74%
12/31/15	0.97477864%	15,839,964	140,793,751	11.25%	98.20%
12/31/16	0.98757898%	8,140,009	143,833,905	5.66%	99.12%
12/31/17	0.98839207%	(29,346,533)	145,480,201	20.17%	102.93%
12/31/18	0.98272693%	34,962,343	149,799,872	23.34%	96.45%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 9,597,587	\$ 9,597,587	\$ -	\$ 139,391,099	6.89%
6/30/16	9,622,848	9,622,848	-	143,954,495	6.68%
6/30/17	9,782,862	9,782,862	-	145,654,318	6.72%
6/30/18	9,929,637	9,929,637	-	147,298,405	6.74%
6/30/19	10,459,586	10,459,586	-	158,090,919	6.62%

See notes to required supplementary information.

Green Bay Area Public School District

Green Bay, Wisconsin

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 1,258,208	\$ 1,261,705	\$ 1,282,811
Interest	1,112,568	908,852	921,977
Differences between expected and actual experience	-	(251,590)	-
Changes in assumptions	347,716	(334,813)	-
Benefit payments	(2,293,575)	(2,124,389)	(2,025,039)
Net change in total pension liability	424,917	(540,235)	179,749
Total pension liability - beginning	30,186,172	30,726,407	30,546,658
Total pension liability - ending	<u>\$ 30,611,089</u>	<u>\$ 30,186,172</u>	<u>\$ 30,726,407</u>
Covered-employee payroll	\$ 70,504,676	\$ 70,504,676	\$ 72,568,274
District's total pension liability as a percentage of covered-employee payroll	43.42%	42.81%	42.34%

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

See notes to required supplementary information.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

A. WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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.

B. SUPPLEMENTAL PENSION

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. The actuarial assumptions used to develop Total OPEB Liability that changed in the roll forward of the valuation from June 30, 2017 was the discount rate.

No assets are accumulated in a trust to provide for future benefits.

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

C. OTHER POSTEMPLOYMENT BENEFITS

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. The actuarial assumptions used to develop Total OPEB Liability that changed in the roll forward of the valuation from June 30, 2017 was the discount rate.

No assets are accumulated in a trust to provide for future benefits.

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.

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

- ▶ Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- ▶ The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- ▶ A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- ▶ Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

- ▶ Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
- ▶ Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance in the fund financial statements.
- ▶ Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- ▶ The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2019.

Budgetary Information

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

	<u>General</u>	<u>Special Education Fund</u>
Revenues		
Actual amounts (budgetary basis)	\$ 275,458,623	\$ 14,743,420
Reclassification of special education	14,743,420	(14,743,420)
Total revenues	<u>290,202,043</u>	<u>-</u>
Expenditures		
Actual amounts (budgetary basis)	235,263,587	47,248,153
Reclassification of special education	47,248,153	(47,248,153)
Total expenditures	<u>282,511,740</u>	<u>-</u>
Excess of revenues over (under) expenditures		
Actual amounts (budgetary basis)	40,195,036	(32,504,733)
Reclassification of special education	(32,504,733)	32,504,733
Excess of revenues over (under) expenditures	<u>7,690,303</u>	<u>-</u>
Other financing sources (uses)		
Actual amounts (budgetary basis)	(36,445,611)	32,504,733
Reclassification of special education	32,504,733	(32,504,733)
Total other financing sources (uses)	<u>(3,940,878)</u>	<u>-</u>
Net change in fund balance		
Actual amounts (budgetary basis)	3,749,425	-
Fund balance - July 1		
Actual amounts (budgetary basis)	<u>45,595,397</u>	<u>-</u>
Fund balance - June 30		
Actual amounts (budgetary basis)	<u>\$ 49,344,822</u>	<u>\$ -</u>

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

Excess of Expenditures Over Budget Appropriations

The following expenditure account of the governmental funds had actual expenditures in excess of budget appropriations for the year ended June 30, 2019 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund	
Instruction	
Vocational instruction	\$ 136,975
Support services	
General administration services	73,481
Debt service	
Interest and fiscal charges	1,837
Non-program	
Adjustments and refunds	86,729

The excess expenditures were funded with available appropriations from other functional areas of the general fund.

SUPPLEMENTARY INFORMATION

Green Bay Area Public School District

Green Bay, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

	Special Revenue			
	Donations	Scholarships	Community Service	Indian Education
ASSETS				
Cash and investments	\$ 1,199,182	\$ 450,349	\$ 2,638,111	\$ -
Receivables				
Accounts	31,956	-	-	-
Due from other governments	-	-	-	45,038
Inventories and prepaid items	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,231,138</u>	<u>\$ 450,349</u>	<u>\$ 2,638,111</u>	<u>\$ 45,038</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 79,528	\$ -	\$ 875,462	\$ 20
Due to other funds	-	-	-	45,018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>79,528</u>	<u>-</u>	<u>875,462</u>	<u>45,038</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	1,151,610	450,349	1,762,649	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,151,610</u>	<u>450,349</u>	<u>1,762,649</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,231,138</u>	<u>\$ 450,349</u>	<u>\$ 2,638,111</u>	<u>\$ 45,038</u>

Headstart	Food Service	Debt Service		Total Nonmajor Governmental Funds
		Non-Referendum Debt Service	Referendum Debt Service	
\$ -	\$ 1,268,977	\$ 6,822,767	\$ 5,333,029	\$ 17,712,415
13	164,245	-	-	196,214
1,186,781	1,355,438	-	-	2,587,257
-	518,149	-	-	518,149
<u>\$ 1,186,794</u>	<u>\$ 3,306,809</u>	<u>\$ 6,822,767</u>	<u>\$ 5,333,029</u>	<u>\$ 21,014,035</u>
\$ 69,117	\$ 71,073	\$ -	\$ -	\$ 1,095,200
1,117,677	-	-	-	1,162,695
<u>1,186,794</u>	<u>71,073</u>	<u>-</u>	<u>-</u>	<u>2,257,895</u>
-	518,149	-	-	518,149
-	2,717,587	6,822,767	5,333,029	18,237,991
-	3,235,736	6,822,767	5,333,029	18,756,140
<u>\$ 1,186,794</u>	<u>\$ 3,306,809</u>	<u>\$ 6,822,767</u>	<u>\$ 5,333,029</u>	<u>\$ 21,014,035</u>

Green Bay Area Public School District

Green Bay, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue			
	Donations	Scholarships	Community Service	Indian Education
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,764,368	\$ -
Other local sources	2,213,365	36,181	12,438	-
State sources	-	-	-	-
Federal sources	-	-	-	191,809
Other sources	-	-	-	-
Total revenues	<u>2,213,365</u>	<u>36,181</u>	<u>2,776,806</u>	<u>191,809</u>
EXPENDITURES				
Instruction				
Regular instruction	63,415	-	729,748	-
Other instruction	121,174	-	562,847	-
Total instruction	<u>184,589</u>	<u>-</u>	<u>1,292,595</u>	<u>-</u>
Support services				
Pupil services	70,000	-	-	191,809
Instructional staff services	88,341	-	-	-
General administration services	-	-	1,268,391	-
School administration services	718,825	-	-	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation services	-	-	-	-
Food services	-	-	-	-
Total support services	<u>877,166</u>	<u>-</u>	<u>1,268,391</u>	<u>191,809</u>
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-program				
Adjustments and refunds	-	-	-	-
Trust fund disbursements	-	45,700	-	-
Total non-program	<u>-</u>	<u>45,700</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,061,755</u>	<u>45,700</u>	<u>2,560,986</u>	<u>191,809</u>
Excess of revenues over (under) expenditures	<u>1,151,610</u>	<u>(9,519)</u>	<u>215,820</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,151,610</u>	<u>(9,519)</u>	<u>215,820</u>	<u>-</u>
Fund balances - July 1	<u>-</u>	<u>459,868</u>	<u>1,546,829</u>	<u>-</u>
Fund balances - June 30	<u>\$ 1,151,610</u>	<u>\$ 450,349</u>	<u>\$ 1,762,649</u>	<u>\$ -</u>

Headstart	Debt Service			Total Nonmajor Governmental Funds
	Food Service	Non- Referendum Debt Service	Referendum Debt Service	
\$ -	\$ -	\$ -	\$ 14,231,840	\$ 16,996,208
-	1,620,931	-	-	3,882,915
-	169,325	-	-	169,325
3,308,424	8,926,281	-	-	12,426,514
-	164	-	666,909	667,073
<u>3,308,424</u>	<u>10,716,701</u>	<u>-</u>	<u>14,898,749</u>	<u>34,142,035</u>
2,011,820	-	-	-	2,804,983
-	-	-	-	684,021
<u>2,011,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,489,004</u>
729,344	-	-	-	991,153
-	-	-	-	88,341
-	-	-	-	1,268,391
-	-	-	-	718,825
227,196	-	-	-	227,196
287,915	-	-	-	287,915
-	11,473,116	-	-	11,473,116
<u>1,244,455</u>	<u>11,473,116</u>	<u>-</u>	<u>-</u>	<u>15,054,937</u>
-	-	1,930,000	10,280,000	12,210,000
-	-	147,286	2,882,890	3,030,176
-	-	<u>2,077,286</u>	<u>13,162,890</u>	<u>15,240,176</u>
-	28,538	-	-	28,538
-	-	-	-	45,700
-	<u>28,538</u>	<u>-</u>	<u>-</u>	<u>74,238</u>
<u>3,256,275</u>	<u>11,501,654</u>	<u>2,077,286</u>	<u>13,162,890</u>	<u>33,858,355</u>
<u>52,149</u>	<u>(784,953)</u>	<u>(2,077,286)</u>	<u>1,735,859</u>	<u>283,680</u>
-	28,538	4,069,850	-	4,098,388
<u>(52,149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,149)</u>
<u>(52,149)</u>	<u>28,538</u>	<u>4,069,850</u>	<u>-</u>	<u>4,046,239</u>
-	(756,415)	1,992,564	1,735,859	4,329,919
-	3,992,151	4,830,203	3,597,170	14,426,221
<u>\$ -</u>	<u>\$ 3,235,736</u>	<u>\$ 6,822,767</u>	<u>\$ 5,333,029</u>	<u>\$ 18,756,140</u>

Green Bay Area Public School District

Green Bay, Wisconsin

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES PUPIL ACTIVITY FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
ASSETS				
Cash	\$ 939,524	\$ 1,820,791	\$ 1,907,618	\$ 852,697
LIABILITIES				
Due to student organizations				
Edison Middle School	\$ 65,630	\$ 53,881	\$ 71,508	\$ 48,003
Franklin Middle School	23,631	35,148	42,738	16,041
Lombardi Middle School	76,636	68,344	83,923	61,057
Smith Middle School	24,645	52,291	48,017	28,919
Washington Middle School	19,917	19,618	26,061	13,474
East High School	209,376	337,203	345,711	200,868
Preble High School	267,461	725,328	755,048	237,741
Southwest High School	176,862	400,697	398,888	178,671
West High School	75,366	128,281	135,724	67,923
Total liabilities	\$ 939,524	\$ 1,820,791	\$ 1,907,618	\$ 852,697

Green Bay Area Public School District Green Bay, Wisconsin

SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Object</u>	<u>Costs</u>
OPERATING ACTIVITY		
Employee salaries	100	\$ 133,487
Employee benefits	200	<u>48,789</u>
		<u>\$ 182,276</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



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

To the Board of Education
Green Bay Area Public School District
Green Bay, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Green Bay Area Public School District, Green Bay, Wisconsin (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2019.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wausau, Wisconsin

December 1, 2019

FEDERAL AND STATE AWARDS



Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Board of Education
Green Bay Area Public School District
Green Bay, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited the Green Bay Area Public School District, Green Bay, Wisconsin (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit 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 of the District's compliance.

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wausau, Wisconsin
December 1, 2019

Green Bay Area Public School District Green Bay, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/18	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/19	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>Child Nutrition Cluster</i>								
School Breakfast Program	10.553	WI DPI	2018-052289-SB-546	\$ (239,834)	\$ 239,834	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2019-052289-SB-Severe-546	-	1,370,054	257,140	1,627,194	-
Total School Breakfast Program				<u>(239,834)</u>	<u>1,609,888</u>	<u>257,140</u>	<u>1,627,194</u>	<u>-</u>
National School Lunch Program	10.555	WI DPI	2018-WI DPI-NSL-547	(832,075)	832,075	-	-	-
National School Lunch Program	10.555	WI DPI	2019-052289-NSL-547	-	4,722,078	853,313	5,575,391	-
Donated Commodities	10.555	WI DPI	Unknown	-	630,216	-	630,216	-
Total National School Lunch Program				<u>(832,075)</u>	<u>6,184,369</u>	<u>853,313</u>	<u>6,205,607</u>	<u>-</u>
Special Milk Program for Children	10.556	WI DPI	2018-052289-SMP-548	(314)	314	-	-	-
Special Milk Program for Children	10.556	WI DPI	2019-052289-SMP-548	-	1,814	328	2,142	-
Total Special Milk Program for Children				<u>(314)</u>	<u>2,128</u>	<u>328</u>	<u>2,142</u>	<u>-</u>
Summer Food Service Program for Children	10.559	WI DPI	2018-052289-SFSP-586	(150,589)	150,589	-	-	-
Summer Food Service Program for Children	10.559	WI DPI	2019-052289-SFSP-586	-	294,058	161,777	455,835	-
Total Summer Food Service Program for Children				<u>(150,589)</u>	<u>444,647</u>	<u>161,777</u>	<u>455,835</u>	<u>-</u>
Total Child Nutrition Cluster				<u>(1,222,812)</u>	<u>8,241,032</u>	<u>1,272,558</u>	<u>8,290,778</u>	<u>-</u>
Child and Adult Care Food Program	10.558	WI DPI	2018-052289-CCI-551	(4,805)	4,805	-	-	-
Child and Adult Care Food Program	10.558	WI DPI	2019-052289-AR-551	-	531,898	82,879	614,777	-
Total Child and Adult Care Food Program				<u>(4,805)</u>	<u>536,703</u>	<u>82,879</u>	<u>614,777</u>	<u>-</u>
Team Nutrition Grants	10.574	WI DPI	2019-300657-17-TN Let's Plant Grant-552	-	-	987	987	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2019-052289-Equip-531	-	20,725	-	20,725	-
Total U.S. Department of Agriculture				<u>(1,227,617)</u>	<u>8,798,460</u>	<u>1,356,424</u>	<u>8,927,267</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE								
Juvenile Justice and Delinquency Prevention	16.540	City of Green Bay, Wisconsin	2017-JF-21-15105	-	-	1,134	1,134	-
U.S. DEPARTMENT OF TRANSPORTATION								
<i>Highway Planning and Construction Cluster</i>								
Highway Planning and Construction	20.205	WI DOT	1009-01-08	-	123,976	49,590	173,566	-
U.S. DEPARTMENT OF EDUCATION								
Indian Education Grants to Local Educational Agencies	84.060	Direct Program	N/A	(106,541)	106,541	-	-	-
Indian Education Grants to Local Educational Agencies	84.060	Direct Program	N/A	-	146,771	45,038	191,809	-
Total Indian Education Grants to Local Educational Agencies				<u>(106,541)</u>	<u>253,312</u>	<u>45,038</u>	<u>191,809</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010	WI DPI	2018-052289-TI-Delinquent-140	(18,317)	18,317	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2019-052289-TI-Delinquent-140	-	69,940	69,004	138,944	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2018-052289-Title I-141	(1,278,442)	1,278,442	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2019-052289-TIA-141	-	4,500,088	1,972,853	6,472,941	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2018-052289-Focus-145	(25,172)	25,172	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2019-052289-CSIP-145	-	-	5,814	5,814	-
Total Title I Grants to Local Educational Agencies				<u>(1,321,931)</u>	<u>5,891,959</u>	<u>2,047,671</u>	<u>6,617,699</u>	<u>-</u>
Migrant Education State Grant Program	84.011	WI DPI	2018-052289-Mig. Summer-142	(4,377)	4,377	-	-	-

Green Bay Area Public School District Green Bay, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/18	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/19	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF EDUCATION (Continued)								
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States	84.027	WI DPI	2018-052289-IDEA-341	(820,263)	820,263	-	-	-
Special Education Grants to States	84.027	WI DPI	2019-052289-IDEA-FT-341	-	2,267,015	1,366,911	3,633,926	-
Special Education Grants to States	84.027	WI DPI	2018-052289-IDEA-342	(1,789)	1,789	-	-	-
Special Education Grants to States	84.027	WI DPI	2019-052289-UDL SU - 342	-	-	10,000	10,000	-
Special Education Grants to States	84.027	WI DPI	Unknown	-	43,437	-	43,437	-
Special Education Grants to States	84.027	CESA No. 7	Unknown	8,204	-	-	8,204	-
Total Special Education Grants to States				<u>(813,848)</u>	<u>3,132,504</u>	<u>1,376,911</u>	<u>3,695,567</u>	<u>-</u>
Special Education Preschool Grants	84.173	WI DPI	2018-052289-Pre-S-347	(39,086)	39,086	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2019-052289-IDEA-PS-347	-	20,548	129,483	150,031	-
Total Special Education Preschool Grants				<u>(39,086)</u>	<u>59,634</u>	<u>129,483</u>	<u>150,031</u>	<u>-</u>
Total Special Education Cluster (IDEA)				<u>(852,934)</u>	<u>3,192,138</u>	<u>1,506,394</u>	<u>3,845,598</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2018-052289-CP-CTE-400	(121,180)	121,180	-	-	-
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2019-052289-CTE-400	-	104,857	121,200	226,057	-
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2018-052289-NTO-420	(3,896)	3,896	-	-	-
Total Career and Technical Education - Basic Grants to States				<u>(125,076)</u>	<u>229,933</u>	<u>121,200</u>	<u>226,057</u>	<u>-</u>
College, Career & Community Ready	84.215E	Direct Program	N/A	(32,711)	32,711	-	-	-
College, Career & Community Ready	84.215E	Direct Program	N/A	-	149,615	-	149,615	-
Total College, Career & Community Ready				<u>(32,711)</u>	<u>182,326</u>	<u>-</u>	<u>149,615</u>	<u>-</u>
Education for Homeless Children and Youth	84.196	WI DPI	2018-052289-Homeless-335	(8,353)	8,353	-	-	-
Education for Homeless Children and Youth	84.196	WI DPI	2019-052289-Education for Homeless Children and Youth-335	-	20,101	21,120	41,221	-
Total Education for Homeless Children and Youth				<u>(8,353)</u>	<u>28,454</u>	<u>21,120</u>	<u>41,221</u>	<u>-</u>
Charter Schools	84.282	WI DPI	2019-052289-WCSP-360	-	99,788	39,224	139,012	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2018-052289-CLC-367	(870,123)	870,123	-	-	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2019-052289-21st Century CLC-367	-	641,633	404,318	1,045,951	707,136
Total Twenty-First Century Community Learning Centers				<u>(870,123)</u>	<u>1,511,756</u>	<u>404,318</u>	<u>1,045,951</u>	<u>707,136</u>
English Language Acquisition State Grants	84.365	WI DPI	2018-052289-Title III A-391	(144,459)	144,459	-	-	-
English Language Acquisition State Grants	84.365	WI DPI	2019-052289-TIIIA-391	-	201,434	345,013	546,447	-
Total English Language Acquisition State Grants				<u>(144,459)</u>	<u>345,893</u>	<u>345,013</u>	<u>546,447</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	WI DPI	2018-052289-Title II-365	(167,109)	167,109	-	-	-
Improving Teacher Quality State Grants	84.367	WI DPI	2019-052289-TIIA-365	-	575,764	235,105	810,869	-
Total Improving Teacher Quality State Grants				<u>(167,109)</u>	<u>742,873</u>	<u>235,105</u>	<u>810,869</u>	<u>-</u>
School Improvement Grants	84.377	WI DPI	2018-052289-SIG-151	(255,265)	255,265	-	-	-
School Improvement Grants	84.377	WI DPI	2019-052289-SIG-151	-	46,066	16,848	62,914	-
Total School Improvement Grants				<u>(255,265)</u>	<u>301,331</u>	<u>16,848</u>	<u>62,914</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424	WI DPI	2018-052289-Title-IV A-381	(16,442)	16,442	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2019-052289-TIVA-381	-	16,301	114,425	130,726	-
Total Student Support and Academic Enrichment Program				<u>(16,442)</u>	<u>32,743</u>	<u>114,425</u>	<u>130,726</u>	<u>-</u>
Hurricane Education Recovery	84.938	WI DPI	2019-052289-Emergency Impact Aid-374	(320,018)	320,018	-	-	-
Total U.S. Department of Education				<u>(4,225,339)</u>	<u>13,136,901</u>	<u>4,896,356</u>	<u>13,807,918</u>	<u>707,136</u>

Green Bay Area Public School District
Green Bay, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/18	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/19	Total Expenditures	Subrecipient Payments	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	WI DPI	2018-052289-WILY-334	(869)	869	-	-	-	
Pregnancy Assistance Fund Program	93.500	WI DPI	2018-52289-InSPIRE-591	(71,444)	71,444	-	-	-	
Pregnancy Assistance Fund Program	93.500	WI DPI	2018-052289-Refugee-533	-	70,010	71,939	141,949	-	
Total Pregnancy Assistance Fund Program				<u>(71,444)</u>	<u>141,454</u>	<u>71,939</u>	<u>141,949</u>	<u>-</u>	
Refugee and Entrant Assistance Discretionary Grants	93.566	WI DPI	2018-052289-Refugee-533	-	58,000	-	58,000	-	
Head Start	93.600	Direct Program	N/A	(197,892)	197,892	-	-	-	
Head Start	93.600	Direct Program	N/A	-	1,973,615	1,026,393	3,000,008	-	
Head Start	93.600	Direct Program	N/A	-	148,027	150,250	298,277	-	
Head Start	93.600	Direct Program	N/A	-	-	10,139	10,139	-	
Total Head Start				<u>(197,892)</u>	<u>2,319,534</u>	<u>1,186,782</u>	<u>3,308,424</u>	<u>-</u>	
<i>Medicaid Cluster</i>									
Medical Assistance Program	93.778	WI DHS	44200800	(9,702)	2,528,955	2,672	2,521,925	-	
Total U.S. Department of Health and Human Services				<u>(279,907)</u>	<u>5,048,812</u>	<u>1,261,393</u>	<u>6,030,298</u>	<u>-</u>	
TOTAL FEDERAL AWARDS				<u>\$ (5,732,863)</u>	<u>\$ 27,108,149</u>	<u>\$ 7,564,897</u>	<u>\$ 28,940,183</u>	<u>\$ 707,136</u>	
		Reconciliation to the basic financial statements:							
		Federal sources						\$ 28,757,279	
		Federal awards included in:							
		Intermediate sources						9,338	
		State sources						173,566	
		Total expenditures of federal awards						<u>\$ 28,940,183</u>	

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

Green Bay Area Public School District Green Bay, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/19	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	052289-100	\$ -	\$ 10,092,322	\$ -	\$ 10,092,322	\$ -
Special Education and School Age Parents	255.101	Delavan-Darian School District	641380-100	-	-	4,182	4,182	-
Total Special Education and School Age Parents				-	10,092,322	4,182	10,096,504	-
State School Lunch Aid	255.102	Direct Program	052289-107	-	101,131	-	101,131	-
Common School Fund Library Aid	255.103	Direct Program	052289-104	-	1,046,578	-	1,046,578	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	052289-111	-	1,151,566	-	1,151,566	-
General Transportation Aid	255.107	Direct Program	052289-102	-	283,256	-	283,256	-
WI School Day Milk Program	255.115	Direct Program	052289-109	-	4,629	-	4,629	-
Equalization Aids	255.201	Direct Program	052289-116	(2,661,763)	156,938,561	2,617,232	156,894,030	-
High Cost Special Education Aid	255.210	Direct Program	052289-119	-	162,488	-	162,488	-
Special Education Transition Readiness	255.257	Direct Program	052289-174	-	-	27,000	27,000	-
Aid for School Mental Health Programs	255.227	Direct Program	052289-176	-	106,857	-	106,857	-
Personal Electronic Computing Device	255.296	Direct Program	052289-175	-	197,125	-	197,125	-
School Based Mental Health Services Grant	255.297	Direct Program	052289-177	-	8,550	40,983	49,533	-
Peer Review and Mentoring	255.301	Direct Program	052289-141	(7,766)	7,766	21,875	21,875	-
Alcohol and Other Drug Abuse	255.306	Direct Program	052289-143	(19,359)	19,359	24,998	24,998	-
AODA Program Grants	255.321	Direct Program	052289-142	-	-	200	200	-
Head Start Supplement	255.327	Direct Program	052289-145	(104,785)	176,373	42,295	113,883	-
State School Breakfast Aid	255.344	Direct Program	052289-108	-	63,565	-	63,565	-
Tuition Payments by State	255.401	Direct Program	052289-157	-	130,515	-	130,515	-
Student Achievement Guarantee in Education (SAGE)	255.504	Direct Program	052289-160	-	4,172,764	-	4,172,764	-
Aid for High Poverty School District	255.926	Direct Program	052289-121	-	1,808,533	-	1,808,533	-
Educator Effective Evaluation System	255.940	Direct Program	052289-154	(35,940)	35,940	150,160	150,160	-
Per Pupil Aid	255.945	Direct Program	052289-113	-	14,300,364	-	14,300,364	-
Career and Technical Education Incentive Grants	255.950	Direct Program	052289-152	-	166,000	-	166,000	-
Assessments of Reading Readiness	255.956	Direct Program	052289-166	-	44,767	-	44,767	-
Robotics League Participation Grants	255.959	Direct Program	052289-167	(1,941)	1,941	4,106	4,106	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	052289-168	-	100,000	-	100,000	-
Total Wisconsin Department of Public Instruction				(2,831,554)	191,120,950	2,933,031	191,222,427	-
WI DEPARTMENT OF JUSTICE								
School Safety Initiative	455.206	Direct Program	2018-SSI-01-13031	-	354,095	430,666	784,761	-
School Safety Initiative	455.206	Direct Program	2018-SSI-01/02-14150	-	291,950	335,261	627,211	-
Total School Safety Initiative and Wisconsin Department of Justice				-	646,045	765,927	1,411,972	-
WI DEPARTMENT OF WORKFORCE DEVELOPMENT								
Teacher Training and Development Grant	445.109	Direct Program	EF184TD20016	-	-	38,728	38,728	-
TOTAL STATE PROGRAMS				<u>\$ (2,831,554)</u>	<u>\$ 191,766,995</u>	<u>\$ 3,737,686</u>	<u>\$ 192,673,127</u>	<u>\$ -</u>
Reconciliation to the basic financial statements								
State sources							\$ 194,224,370	
State aids in interdistrict sources							4,182	
Less: State sources not considered state financial assistance								
State tax computer aid							(733,904)	
State personal property aid							(636,786)	
Federal grants reported with state sources							(173,566)	
Other aids							(4,999)	
Payment in lieu of taxes and other revenues							(6,170)	
Total expenditures of state awards							<u>\$ 192,673,127</u>	

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

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Green Bay Area Public School District are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Guidelines issued by the Wisconsin Department of Administration.

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2019 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

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

NOTE 3: SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2018 - 2019 eligible costs under the State Special Education Program as reported by the District are \$43,213,072. Compiled information required by compliance requirement 1-1 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

NOTE 4: FOOD DISTRIBUTION

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

NOTE 5: OVERSIGHT AGENCIES

The federal and state oversight agencies for the District are as follows:

Federal - U.S. Department of Health and Human Services

State - Wisconsin Department of Public Instruction

Green Bay Area Public School District

Green Bay, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6: PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DHS - Wisconsin Department of Health Services
WI DPI - Wisconsin Department of Public Instruction
WI DOT - Wisconsin Department of Transportation
CESA #7 - Cooperative Educational Services Agency #7

NOTE 7: DONATED SERVICES

The District receives an undeterminable amount of donated services from a variety of unpaid volunteers assisting the Head Start program. Therefore, no amounts have been recorded in the Schedule of Expenditures of Federal Awards.

Green Bay Area Public School District

Green Bay, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

SECTION I: SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness identified?	No
▶ Significant deficiencies identified?	None Reported
Noncompliance material to basic financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major programs:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Guidelines?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
93.600	Head Start

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.107	General Transportation Aid
255.201	Equalization Aids
255.327	Head Start Supplement
255.926	Aid for High Poverty School District
255.945	Per Pupil Aid
455.206	School Safety Initiative

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$868,205
State Awards	\$250,000

Auditee qualified as low-risk auditee	Yes
---------------------------------------	-----

Green Bay Area Public School District

Green Bay, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

SECTION II: FINANCIAL STATEMENT FINDINGS

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended June 30, 2019.

SECTION III: FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported under 2 CFR 200.5169a) and the State Single Audit Guidelines issued by the Wisconsin Department of Administration for the year ended June 30, 2019.

SECTION IV: OTHER ISSUES

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Wisconsin Department of Health Services | No |
| Wisconsin Department of Public Instruction | No |
| Wisconsin Department of Justice | No |
| Wisconsin Department of Workforce Development | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |



4. Name and signature of partner

Jon T. Trautman, CPA

5. Date of report

December 1, 2019

