

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
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BARRON, WISCONSIN
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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 Barron Area School District, Wisconsin as of June 30, 2020, and the respective changes in the financial position, thereof and for the year then ended in conformity 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 budgetary comparison information, pension plan schedules, and other postemployment benefits schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual and combining fund statements, charter school authorizer annual report, and debt retirement schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are also not a required part of the basic financial statements.

The individual and combining fund statements, charter school authorizer annual report, debt retirement schedules, schedule of expenditures of federal awards, and schedule of state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information (including only section VI of the charter school authorizer annual report) have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The charter school authorizer annual report, sections I through V and VII, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of District’s internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 6, 2020

BASIC FINANCIAL STATEMENTS

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 4,476,890
Taxes Receivable	2,113,888
Due from Other Governments	908,550
Prepaid Expenditures	488,000
Wisconsin Retirement System Net Pension Asset	1,878,535
Capital Assets:	
Capital Assets Not Being Depreciated	420,276
Capital Assets Being Depreciated	38,429,847
Accumulated Depreciation	<u>(20,501,376)</u>
Total Assets	28,214,610
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	4,076,763
State Life Insurance Other Postemployment Benefits Related	212,822
Other Postemployment Benefits Related	<u>208,658</u>
Total Deferred Outflows of Resources	4,498,243
LIABILITIES	
Accounts Payable	207,956
Accrued Interest Payable	22,732
Payroll Taxes and Withholdings	404,243
Due to Other Governments	2,914
Unearned Revenue	15,427
Special Deposits	97,371
Long-Term Liabilities:	
Amounts Due Within One Year	846,365
Amounts Due In More than One Year	2,924,588
State Life Insurance Net Other Postemployment Benefits Liability	509,800
Other Postemployment Benefits Liability - Due Within One Year	79,155
Other Postemployment Benefits Liability - Due In More Than One Year	<u>1,631,048</u>
Total Liabilities	6,741,599
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	5,647,195
State Life Insurance Other Postemployment Benefits Liability	83,166
Other Postemployment Benefits Related	<u>204,383</u>
Total Deferred Inflows of Resources	<u>5,934,744</u>
NET POSITION	
Net Investment in Capital Assets	15,944,022
Restricted for:	
Debt Service	432,296
Capital Projects	82,587
Community Service	90,269
Whitmore Donation	1,341,622
Boiler Plant Contingency	284,524
WRS Pension Plan Asset	1,878,535
Unrestricted	<u>(17,345)</u>
Total Net Position	<u>\$ 20,036,510</u>

See accompanying Notes to Basic Financial Statements.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges For Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 8,079,914	\$ 483,497	\$ 692,946	\$ (6,903,471)
Vocational Instruction	598,744	54,153	-	(544,591)
Physical Instruction	546,814	44,594	-	(502,220)
Special Instruction	1,914,525	244,977	968,104	(701,444)
Co-Curricular	397,007	50,479	-	(346,528)
Other Special Needs	598,054	52,087	76,624	(469,343)
Total Instruction	12,135,058	929,787	1,737,674	(9,467,597)
Support Services:				
Pupil Services	857,517	-	238,460	(619,057)
Instructional Staff Services	801,430	-	226,636	(574,794)
General Administration Services	498,827	-	-	(498,827)
Building Administration Services	854,575	-	-	(854,575)
Fiscal	315,578	-	-	(315,578)
Operations and Maintenance of Plant	2,763,013	241,422	41,281	(2,480,310)
Pupil Transportation Services	1,056,170	-	88,122	(968,048)
Food Service	677,605	158,098	452,584	(66,923)
Internal Services	1,950	-	-	(1,950)
Central Services	654,533	-	143,358	(511,175)
Insurance and Judgments	191,985	-	-	(191,985)
Interest and Fiscal Fees	99,147	-	-	(99,147)
Other Support Services	69,829	-	-	(69,829)
Community Services	253,726	-	-	(253,726)
Total Support Services	9,095,885	399,520	1,190,441	(7,505,924)
Total Primary Government	\$ 21,230,943	\$ 1,329,307	\$ 2,928,115	(16,973,521)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				4,370,061
Property Taxes, Levied for Debt Purposes				910,498
Property Taxes, Levied for Community Service Purposes				295,000
Other Taxes				190,580
State and Federal Aids Not Restricted to Specific Functions:				
General				12,443,970
Other				30,679
Interest and Investment Earnings				145,439
Miscellaneous				20,462
Total General Revenues				18,406,689
Change in Net Position				1,433,168
Net Position - Beginning of Year				18,603,342
Net Position - End of Year				<u>\$ 20,036,510</u>

See accompanying Notes to Basic Financial Statements.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Major Funds			Nonmajor Funds	Totals	
	General Fund	Mentorship Program Fund	Debt Service Fund	Capital Projects Fund		Other Governmental Funds
ASSETS						
Cash and Investments	\$ 1,717,504	\$ 1,341,622	\$ 455,028	\$ 633,892	\$ 328,844	\$ 4,476,890
Taxes Receivable	2,113,888	-	-	-	-	2,113,888
Due from Other Governments	884,855	-	-	-	23,695	908,550
Due from Other Funds	10,122	-	-	-	-	10,122
Prepaid Expenditures	472,300	-	-	-	15,700	488,000
Total Assets	\$ 5,198,669	\$ 1,341,622	\$ 455,028	\$ 633,892	\$ 368,239	\$ 7,997,450
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 77,290	\$ -	\$ -	\$ 123,734	\$ 6,932	\$ 207,956
Payroll Taxes and Withholdings	404,243	-	-	-	-	404,243
Due to Other Governments	-	-	-	-	2,914	2,914
Due to Other Funds	-	-	-	-	10,122	10,122
Unearned Revenue	-	-	-	-	15,427	15,427
Special Deposits	97,371	-	-	-	-	97,371
Total Liabilities	578,904	-	-	123,734	35,395	738,033
Fund Balances:						
Nonspendable	472,300	-	-	-	15,700	488,000
Restricted	41,949	1,341,622	455,028	510,158	328,844	2,677,601
Unassigned	4,105,516	-	-	-	(11,700)	4,093,816
Total Fund Balances	4,619,765	1,341,622	455,028	510,158	332,844	7,259,417
Total Liabilities and Fund Balances	\$ 5,198,669	\$ 1,341,622	\$ 455,028	\$ 633,892	\$ 368,239	\$ 7,997,450

See accompanying Notes to Basic Financial Statements.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Total Fund Balances - Governmental Funds \$ 7,259,417

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

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

Land	\$	51,540	
Land Improvements		1,339,960	
Buildings and Improvements		27,322,177	
Furniture and Equipment		9,767,710	
Construction Work in Progress		368,736	
Accumulated Depreciation		<u>(20,501,376)</u>	18,348,747

Net pension asset (liability) and related deferred outflows and inflows are recorded only on the statement of net position. Balances at year-end are:

Net Pension Asset (Liability)		1,878,535	
Deferred Outflows of Resources		4,076,763	
Deferred Inflows of Resources		<u>(5,647,195)</u>	308,103

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

Taxable General Obligation Bonds Payable		(675,000)	
Taxable General Obligation Zone Academy Bonds Payable		(747,296)	
General Obligation Promissory Notes Payable		(2,085,000)	
State Life Insurance Net Other Postemployment Benefits Liability		(509,800)	
Other Postemployment Benefit Liability		(1,710,203)	
Deferred Outflows of Resources - Other Postemployment Benefits		421,480	
Deferred Inflows of Resources - Other Postemployment Benefits		(287,549)	
Accrued Interest Payable on General Obligation Debt		(22,732)	
Sick and Vacation Leave Liability		<u>(268,965)</u>	(5,885,065)

Debt discounts, premiums, and refinancing costs are amortized over the lives of the related debt in the statement of net position. In the governmental funds these costs are considered expenditures/ other financing sources/uses when incurred.

Unamortized Debt Discount			<u>5,308</u>
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Net Position of Governmental Activities \$ 20,036,510

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Major Funds				Nonmajor Funds	Totals
	General Fund	Mentorship Program Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	
REVENUES						
Local Sources:						
Property Taxes	\$ 4,370,061	\$ -	\$ 910,498	\$ -	\$ 295,000	\$ 5,575,559
Other Local Sources	273,283	87,872	-	13,957	162,099	537,211
Interdistrict Sources	887,623	-	-	-	-	887,623
Intermediate Sources	14,623	-	-	-	-	14,623
State Sources	13,942,339	-	-	-	10,220	13,952,559
Federal Sources	993,218	-	-	-	442,364	1,435,582
Other Sources	245,515	-	-	-	-	245,515
Sale of Fixed Assets	15,439	-	-	-	-	15,439
Total Revenues	<u>20,742,101</u>	<u>87,872</u>	<u>910,498</u>	<u>13,957</u>	<u>909,683</u>	<u>22,664,111</u>
EXPENDITURES						
Instruction:						
Undifferentiated Curriculum	2,282,087	-	-	-	32,650	2,314,737
Regular Curriculum	3,337,116	-	-	-	-	3,337,116
Vocational Instruction	601,422	-	-	-	-	601,422
Physical Curriculum	539,547	-	-	-	-	539,547
Special Instruction	1,888,464	-	-	-	-	1,888,464
Co-Curricular Activities	387,618	-	-	-	-	387,618
Other Special Needs	588,274	-	-	-	-	588,274
Support Services:						
Pupil Services	803,063	41,363	-	-	-	844,426
Instructional Staff Services	787,594	-	-	-	-	787,594
General Administration	494,195	-	-	-	-	494,195
School Building Administration	849,474	-	-	-	-	849,474
Fiscal	307,948	-	-	-	-	307,948
Operations and Maintenance of Plant	2,144,852	-	-	-	-	2,144,852
Facilities Acquisition and Remodeling	-	-	-	368,737	-	368,737
Pupil Transportation Services	883,673	-	-	-	-	883,673
Food Service	-	-	-	-	665,110	665,110
Internal Services	1,950	-	-	-	-	1,950
Central Services	818,032	-	-	-	-	818,032
Insurance and Judgments	191,985	-	-	-	-	191,985
Debt Service	1,425	-	1,722,682	-	-	1,724,107
Other Support Services	78,688	-	-	-	-	78,688
Community Services	-	-	-	-	251,990	251,990
Non-Program Transactions	2,348,875	-	-	-	-	2,348,875
Total Expenditures	<u>19,336,282</u>	<u>41,363</u>	<u>1,722,682</u>	<u>368,737</u>	<u>949,750</u>	<u>22,418,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,405,819	46,509	(812,184)	(354,780)	(40,067)	245,297
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	805,923	-	54,427	860,350
Transfers Out	(860,350)	-	-	-	-	(860,350)
Net Other Financing Sources (Uses)	<u>(860,350)</u>	<u>-</u>	<u>805,923</u>	<u>-</u>	<u>54,427</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	545,469	46,509	(6,261)	(354,780)	14,360	245,297
Fund Balances - Beginning of Year	4,074,296	1,295,113	461,289	864,938	318,484	7,014,120
FUND BALANCES - END OF YEAR	<u>\$ 4,619,765</u>	<u>\$ 1,341,622</u>	<u>\$ 455,028</u>	<u>\$ 510,158</u>	<u>\$ 332,844</u>	<u>\$ 7,259,417</u>

See accompanying Notes to Basic Financial Statements.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 245,297

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 922,207	
Depreciation Expense Reported in the Statement of Activities	<u>(1,134,093)</u>	(211,886)

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

Capital Assets Disposed of During the Year	319,797	
Accumulated Depreciation on Disposed Assets	<u>(242,683)</u>	(77,114)
Loss on Disposal of Capital Assets		(77,114)

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

(110,795)

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

Taxable Bond Principal Retirement	125,000	
Taxable Zone Academy Principal Retirement	151,048	
Promissory Note Principal Retirement	<u>1,340,000</u>	1,616,048

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

Net Change in Accrued Interest Payable	10,772	
Amortization of Debt Discount	(1,860)	
Net Change in Accrued Sick Leave	(8,323)	
Net Change in Other Postemployment Benefits and Related Items	<u>(28,971)</u>	<u>(28,382)</u>

Change in Net Position of Governmental Activities \$ 1,433,168

See accompanying Notes to Basic Financial Statements.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	<u>\$ 167,005</u>
LIABILITIES	
Due to Student Organizations	<u>\$ 167,005</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The Barron Area School District is organized as a common school district. The District, governed by a nine member elected school board, operates grades K through twelve and is comprised of all or parts of nineteen taxing districts.

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

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

C. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has the following major governmental funds:

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

Mentorship Program Fund – The Mentorship Program Fund is a special revenue fund used to account for the donation received and use of such funds per donor specifications.

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

Capital Projects Fund – The Capital Projects Fund is used to account for the financing of various building projects.

The remaining governmental funds are reported as nonmajor funds.

Additionally, the District reports the following fiduciary fund:

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary agency funds do not have a measurement focus.

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

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

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

Investments of the District are stated at fair value. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

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

2. Receivables and Payables

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

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

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

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

3. Prepaid Items

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

4. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$2,500	N/A	N/A
Land Improvements	2,500	Straight-line	20 Years
Buildings and Improvements	2,500	Straight-line	50 Years
Furniture and Equipment	2,500	Straight-line	5-20 Years
Vehicles	2,500	Straight-line	8 Years
Textbooks, Library and Media*	2,500	Straight-line	5 Years

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

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

7. Compensated Absences

The District's policies generally allow accumulated employee vacation and sick leave benefits to vest for administrators, teachers, and support staff. A liability for accumulated employee benefits is not accrued in the District's governmental fund financial statements but is recorded as an expenditure when paid. Such liability is accrued in the government-wide financial statements when earned. The District's policies and estimated liability at year end are further discussed in Note 4.D.

8. Other Postemployment Benefits (OPEB) – Single Employer Plan

Under the provisions of various employee and union contracts, if certain age and minimum years of service requirements are met, for every five years of service the employee has with the District, upon retirement the District provides a set contribution toward health care premiums. The amount to be incurred is limited as specified by contract. This amount was actuarially determined, in accordance with GASB 75.

9. Other Postemployment Benefits (OPEB) – Multiple-Employer Plan

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Wisconsin Retirement System Pension Plan Benefits

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

11. Long-Term Obligations

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

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

12. Equity Classifications

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

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Equity Classifications (Continued)

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. The District does not have a general fund minimum fund balance policy.

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

13. Use of Restricted Resources

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net position and revenues/expenses shown in the government-wide financial statements are presented on pages 7 and 9, respectively.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Governmental Funds	\$ 4,476,890
Fiduciary Funds	167,005
Total	\$ 4,643,895

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

Deposits at Financial Institutions	\$ 3,250,601
Investment with Fiscal Agent	1,393,294
Total	\$ 4,643,895

Deposits at Financial Institutions

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to an additional \$250,000 for demand accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2020 consisted of deposits in the following:

Description	Totals	Investment Maturities (in Years)		
		< 1	1 to 3	> 3
Vanguard S&P 500 Index	\$ 1,240,788	\$ 1,240,788	\$ -	\$ -
Vanguard Federal Money Market Fund	152,506	152,506	-	-
Total	<u>\$ 1,393,294</u>	<u>\$ 1,393,294</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.E.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the District.

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.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

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

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

Assets measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Vanguard S&P 500 Index	\$ 1,240,788	\$ -	\$ -	\$ 1,240,788
Vanguard Federal Money Market Fund	152,506	-	-	152,506
Total	<u>\$ 1,393,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,393,294</u>

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets:				
Land	\$ 51,540	\$ -	\$ -	\$ 51,540
Land Improvements	1,339,960	-	-	1,339,960
Buildings and Improvements	27,391,856	129,360	199,039	27,322,177
Furniture and Equipment	9,334,998	553,470	120,758	9,767,710
Construction Work in Progress	129,359	368,737	129,360	368,736
Total Capital Assets	<u>38,247,713</u>	<u>1,051,567</u>	<u>449,157</u>	<u>38,850,123</u>
Accumulated Depreciation:				
Land Improvements	1,169,337	10,212	-	1,179,549
Buildings and Improvements	11,347,388	559,402	133,999	11,772,791
Furniture and Equipment	7,093,241	564,479	108,684	7,549,036
Total Accumulated Depreciation	<u>19,609,966</u>	<u>1,134,093</u>	<u>242,683</u>	<u>20,501,376</u>
Governmental Activities Capital Assets Net of Accumulated Depreciation	<u>\$ 18,637,747</u>	<u>\$ (82,526)</u>	<u>\$ 206,474</u>	<u>\$ 18,348,747</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Instruction:			
Regular Instruction		\$	24,120
Vocational Instruction			6,119
Physical Instruction			2,662
Special Instruction			8,930
Co-Curricular Instruction			18,655
Support Services:			
Pupil Services			2,403
Instructional Staff Services			5,337
General Administrative Services			329
Building Administration Services			15,428
Fiscal			3,934
Operations and Maintenance of Plant			631,886
Pupil Transportation Services			218,882
Food Service			7,864
Central Services			187,544
Total Depreciation for Governmental Activities		<u>\$</u>	<u>1,134,093</u>

C. Interfund Receivables, Payables and Transfers

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

Due To/From

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Food Service Fund	<u>\$ 10,122</u>	Cash deficit

Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Food Service Fund	General Fund	\$ 54,427	Fund deficit
Debt Service Fund	General Fund	<u>805,923</u>	Debt prepayment
		<u>\$ 860,350</u>	

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

Changes in Long-Term Obligations

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

	Balances July 1, 2019	Additions	Reductions	Balances June 30, 2020	Amounts Due Within One Year
General Obligation Debt:					
General Obligation Promissory Notes	\$ 3,425,000	\$ -	\$ 1,340,000	\$ 2,085,000	\$ 555,000
Taxable General Obligation Bonds	800,000	-	125,000	675,000	125,000
Taxable General Obligation Zone Academy Bonds	898,344	-	151,048	747,296	152,339
Less: Debt Discount	(7,168)	-	(1,860)	(5,308)	(1,860)
Subtotal	<u>5,116,176</u>	<u>-</u>	<u>1,614,188</u>	<u>3,501,988</u>	<u>830,479</u>
Other Long-Term Obligations:					
Employee Leave Liability	<u>260,642</u>	<u>134,974</u>	<u>126,651</u>	<u>268,965</u>	<u>15,886</u>
Total	<u>\$ 5,376,818</u>	<u>\$ 134,974</u>	<u>\$ 1,740,839</u>	<u>\$ 3,770,953</u>	<u>\$ 846,365</u>

Interest payments on long-term debt issues during the year were as follows:

Taxable General Obligation Bonds	\$ 30,110
Promissory Notes	76,524
Total	<u>\$ 106,634</u>

The accrued employee leave is generally liquidated from the general fund and special revenue funds. The District's estimated liability for accrued sick leave is discussed in Note 4.D.

Security and Default. The outstanding long-term debt obligations of the District contain the following provisions:

General Obligation Bonds and Notes: These are general obligations of the District, and all the taxable property in the District is subject to the levy of a tax to pay the principal and interest on notes as they become due. The levy, under current law, may be levied without limitation to rate or amount. Principal and interest paid for the current year and tax levy were \$1,722,682 and \$910,498, respectively.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt

Total long-term general obligation debt and related interest requirements of the District at June 30, 2020 consisted of the following issues:

<u>Description</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Taxable General Obligation Promissory Note, \$4,500,000, issued 11/06/17, due 3/1/25, interest payable at 1.60%	\$ 2,085,000	\$ 102,962	\$ 2,187,962
Taxable General Obligation Refunding Bonds, \$1,190,000, issued 8/26/15, due 3/1/25, interest payable at 1.00% - 3.50%	675,000	66,946	741,946
Taxable General Obligation Qualified Zone Academy Bonds, \$1,310,000, issued 3/5/08, due 3/4/24, interest payable at 1.5%	357,296	13,498	370,794
Taxable General Obligation Qualified Zone Academy Refunding Bonds, \$900,000, issued 1/18/10, due 12/15/25, interest payable at 0.00%	390,000	-	390,000
Totals	<u>\$ 3,507,296</u>	<u>\$ 183,406</u>	<u>\$ 3,690,702</u>

The above annual debt service requirements are summarized as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 832,339	\$ 68,357	\$ 900,696
2022	848,649	53,321	901,970
2023	864,979	37,044	902,023
2024	686,329	19,608	705,937
2025	210,000	5,076	215,076
2026	65,000	-	65,000
Total	<u>\$ 3,507,296</u>	<u>\$ 183,406</u>	<u>\$ 3,690,702</u>

Repayment schedules for the individual debt issues are presented in supplementary schedules.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The 2019 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$505,665,879. The legal debt limit and margin of indebtedness as of June 30, 2020 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Debt Limit (10% of \$505,665,879)	\$ 50,566,588
Deduct Long-Term Debt Application to Debt Margin	3,507,296
Margin of Indebtedness	\$ 47,059,292

E. Short-Term Notes Payable

The District currently has available a \$1,000,000 revolving line of credit with a variable interest rate of prime minus 1.00%.

Any outstanding balance is secured by tax receipts and other revenues. The District did not borrow on the line of credit during 2019-20.

F. Governmental Fund Balances

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

	Total	Nonspendable	Restricted	Unassigned
Major Funds:				
General Fund:				
Prepaid Items	\$ 472,300	\$ 472,300	\$ -	\$ -
Restricted for Boiler Plant	41,949	-	41,949	-
Unassigned	4,105,516	-	-	4,105,516
General Fund	4,619,765	472,300	41,949	4,105,516
Mentorship Program	1,341,622	-	1,341,622	-
Debt Service	455,028	-	455,028	-
Capital Projects	510,158	-	510,158	-
Subtotal Major Funds	6,926,573	472,300	2,348,757	4,105,516
Nonmajor Funds:				
Special Revenue Funds:				
Boiler Plant Contingency	242,575	-	242,575	-
Food Service Operations	-	11,700	-	(11,700)
Community Service Programs	90,269	4,000	86,269	-
Subtotal Nonmajor Funds	332,844	15,700	328,844	(11,700)
Total Governmental Funds Balances at June 30, 2020	\$ 7,259,417	\$ 488,000	\$ 2,677,601	\$ 4,093,816

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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, 2019 through June 30, 2020, the WRS recognized \$583,079 in contributions from the employer.

Contribution rates as of June 30, 2020 are:

	Employee	Employer
General (including Teachers)	6.75%	6.75%

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

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At June 30, 2020, the District reported an asset of \$1,878,535 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was 0.05825899%, which was a decrease of 0.00115915% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$695,045. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,565,890	\$ (1,784,489)
Changes of Assumptions	146,387	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,840,395)
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	49	(22,311)
District Contributions Subsequent to the Measurement Date	364,437	-
Total	<u>\$ 4,076,763</u>	<u>\$ (5,647,195)</u>

\$364,437 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense
2021	\$ (574,550)
2022	(429,564)
2023	60,801
2024	(991,556)

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial assumptions. The total pension liability in the 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, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Inflation:	3.0%
Salary Increases:	3.1% to 8.6% including inflation
Mortality:	Wisconsin 2018 mortality table
Postretirement Adjustments*:	1.9%

*No postretirement 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 postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	N/A	N/A	70%	4.6%
International Equities	N/A	N/A	30%	5.3%
Global Equities	49%	5.1%	N/A	N/A
Fixed Income	24.5%	2.1%	N/A	N/A
Inflation Sensitive Assets	15.5%	1.2%	N/A	N/A
Real Estate	9%	3.5%	N/A	N/A
Private Equity/Debt	8%	7.6%	N/A	N/A
Multi-Asset	4%	4.0%	N/A	N/A
Cash	-10%	0.9%	N/A	N/A
Totals	100%		100%	

Discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,837,565	\$ (1,878,535)	\$ (6,899,593)

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

B. Other Postemployment Benefits – Single Employer Plan

Plan Description

Certain classifications of employees with a minimum number years of service to the District receive contributions towards their medical and dental insurance for up to 60 months upon retirement. The District does not accumulate any assets in a trust to fund the plan.

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Paymen	6
Inactive Plan Members Entitled to but not yet Receiving Benefit Payments	-
Active Plan Members	136
Total	142

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Single Employer Plan (Continued)

Total OPEB Liability

The District's total OPEB liability of \$1,710,203 was measured as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuary Cost Method:	Entry Age
Amortization Method:	Level Percent of Salary
Amortization Period:	30 Years
Discount Rate:	3.50%
Inflation:	2.5%
Healthcare Cost Trend Rates	7.5% decreasing 0.5% to 6.5%, then decreasing by 0.1% to 5.0% and level thereafter
Salary Increases:	3.1% to 8.6% including inflation
Actuarial Assumptions:	Wisconsin Retirement System (WRS) experience from 2015-17
Mortality:	Wisconsin 2018 Mortality Table

The discount rate was based on the Bond Buyer Go 20-year AA municipal bond rate Index published by the Federal Reserve.

There were no changes in benefit terms or assumptions during the reporting period, with the exception of the discount rate changing from 3.75% to 3.50%.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ 1,936,383
Changes for the year:	
Service Cost	113,099
Interest	70,185
Changes of Benefit Terms	(106,007)
Differences Between Expected and Actual Experience	(202,050)
Changes of Assumptions or Other Input	141,276
Benefit Payments	(242,683)
Net Changes	<u>(226,180)</u>
Balances at June 30, 2020	<u>\$ 1,710,203</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Single Employer Plan (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate

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

		1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	6/30/20	<u>\$ 1,793,036</u>	<u>\$ 1,710,203</u>	<u>\$ 1,629,072</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the City's net 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	6/30/20	<u>\$ 1,668,595</u>	<u>\$ 1,710,203</u>	<u>\$ 1,759,534</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$409,464. At June 30, 2020, the District reported the following deferred outflows and inflows of resources relating to OPEB:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 185,213
Changes of Assumptions or Other Input	129,503	19,170
District Contributions Subsequent to the Measurement Date	79,155	-
Total	<u>\$ 208,658</u>	<u>\$ 204,383</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Single Employer Plan (Continued)

\$79,155 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the total OPEB liability in the year ended June 30, 2021. The other amount reported as a deferred inflow of resources related to OPEB will be recognized in OPEB expense at \$6,981 annually for the years ended June 30, 2021 through 2025 and then a total of \$39,975 thereafter.

C. Other Postemployment Benefits – Multiple Employer Plan

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees. ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

Contribution rates as of June 30, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are:

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

During the year ending June 30, 2020, the LRLIF recognized \$2,015 in contributions from the employer.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$509,800 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was 0.11972200%, which was an increase of 0.00408200% from its proportion measured as of December 31, 2018.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

For the year ended June 30, 2020, the District recognized OPEB expense of \$55,451. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (22,839)
Changes of Assumptions or Other Input	188,068	(56,074)
Net Difference Between Projected and Actual Earnings on OPEB Investments	9,617	-
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	13,952	(4,253)
District Contributions Subsequent to the Measurement Date	1,185	-
Total	<u>\$ 212,822</u>	<u>\$ (83,166)</u>

\$1,185 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2021	\$ 21,772
2022	21,772
2023	20,735
2024	19,667
2025	16,885
Thereafter	27,640

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.87%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Long-Term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Single Discount rate. A single discount rate of 3.87 % was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.87%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

		1% Decrease (1.87%)	Current Discount Rate (2.87%)	1% Increase (3.87%)
Proportionate Share of the Net OPEB Liability (Asset)	6/30/20	<u>\$ 703,948</u>	<u>\$ 509,800</u>	<u>\$ 362,091</u>

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Accrued Employee Leave Liability

Bus drivers who retire at age 57 or older with at least 15 years of service are paid \$18 for each day of accumulated sick leave, up to 90 days maximum. Support staff who retire at age 57 or older with at least 15 years of service are paid between \$25 and \$75 for each day of accumulated sick leave, depending on annual contracted hours, up to 120 days maximum. Teachers who retire at age 55 or older with at least 10 years of service are paid \$50 for each day of accumulated sick leave, up to 120 days maximum. The District's estimated liability for this leave at June 30, 2020 was \$253,079. In addition, under provisions of certain contracts, unused vacation leave can accumulate from one year to the next. The District's estimated liability for unused vacation totaled \$15,886 at June 30, 2020.

E. Limitation on School District Revenues

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

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

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

F. Risk Management

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

REQUIRED SUPPLEMENTARY INFORMATION

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 4,370,061	\$ 4,370,061	\$ 4,370,061	\$ -
Other Local Sources	84,500	84,500	273,283	188,783
Interdistrict Sources	860,000	860,000	887,623	27,623
Intermediate Sources	8,000	8,000	14,623	6,623
State Sources	13,750,174	13,750,174	13,942,339	192,165
Federal Sources	924,086	924,086	993,218	69,132
Other Revenues	267,000	267,000	245,515	(21,485)
Sale of Fixed Assets	5,000	5,000	15,439	10,439
Total Revenues	<u>20,268,821</u>	<u>20,268,821</u>	<u>20,742,101</u>	<u>473,280</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	2,369,441	2,369,441	2,282,087	87,354
Regular Curriculum	3,642,565	3,642,565	3,337,116	305,449
Vocational Curriculum	635,017	635,017	601,422	33,595
Physical Curriculum	552,428	552,428	539,547	12,881
Special Education Curriculum	2,051,057	2,051,057	1,888,464	162,593
Co-Curricular Activities	507,880	507,880	387,618	120,262
Other Special Needs	614,580	614,580	588,274	26,306
Total Instruction	<u>10,372,968</u>	<u>10,372,968</u>	<u>9,624,528</u>	<u>748,440</u>
Support Services:				
Pupil Services	846,056	846,056	803,063	42,993
Instructional Staff Services	934,479	934,479	787,594	146,885
General Administration	491,558	491,558	494,195	(2,637)
School Building Administration	815,449	815,449	849,474	(34,025)
Fiscal Services	318,272	318,272	307,948	10,324
Operation	1,623,726	1,623,726	1,407,466	216,260
Maintenance	431,096	431,096	737,386	(306,290)
Pupil Transportation	1,007,078	1,007,078	883,673	123,405
Internal Services	2,000	2,000	1,950	50
Central Services	805,761	805,761	818,032	(12,271)
Insurance and Judgments	182,500	182,500	191,985	(9,485)
Debt Services	1,000	1,000	1,425	(425)
Other Support Services	330,000	330,000	78,688	251,312
Total Support	<u>7,788,975</u>	<u>7,788,975</u>	<u>7,362,879</u>	<u>426,096</u>
Non-Program:				
Tuition Payments	2,030,600	2,030,600	2,343,835	(313,235)
Other	5,000	5,000	5,040	(40)
Total Non-Program	<u>2,035,600</u>	<u>2,035,600</u>	<u>2,348,875</u>	<u>(313,275)</u>
Total Expenditures	<u>20,197,543</u>	<u>20,197,543</u>	<u>19,336,282</u>	<u>861,261</u>
EXCESS OF REVENUES OVER EXPENDITURES	71,278	71,278	1,405,819	1,334,541
OTHER FINANCING SOURCES (USES)				
Transfers Out	(71,278)	(71,278)	(860,350)	(789,072)
NET CHANGE IN FUND BALANCE	-	-	545,469	545,469
Fund Balance - Beginning of Year	4,074,296	4,074,296	4,074,296	-
FUND BALANCE - END OF YEAR	<u>\$ 4,074,296</u>	<u>\$ 4,074,296</u>	<u>\$ 4,619,765</u>	<u>\$ 545,469</u>

See accompanying Notes to Required Supplementary Information.

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

Measurement Date: December 31,	2014	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability (Asset)	0.05851368%	0.05912646%	0.05904463%	0.05939722%	0.05941814%	0.05825899%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,437,256)	\$ 960,794	\$ 486,669	\$ (1,763,573)	\$ 2,113,911	(1,878,535)
District's Covered Payroll	\$ 8,270,128	\$ 8,413,110	\$ 8,502,227	\$ 8,927,847	\$ 9,115,079	8,878,676
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	17.38%	11.42%	5.72%	19.75%	23.19%	21.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%

See accompanying Notes to Required Supplementary Information.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: June 30,	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 580,215	\$ 555,107	\$ 592,754	\$ 617,351	\$ 593,820	\$ 583,079
Contributions in Relation to the Contractually Required Contributions	(580,215)	(555,107)	(592,754)	(617,351)	(593,820)	(583,079)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 8,437,918	\$ 8,313,929	\$ 8,816,437	\$ 9,162,049	\$ 8,987,027	\$ 8,737,119
Contributions as a Percentage of Covered Payroll	6.88%	6.68%	6.72%	6.74%	6.61%	6.67%

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

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

See accompanying Notes to Required Supplementary Information.

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

Measurement Date: December 31,

	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's Proportion of the Net OPEB Liability (Asset)	0.11382400%	0.11564000%	0.11972200%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 342,449	\$ 298,390	\$ 509,800
District's Covered-Employee Payroll	\$ 4,786,625	\$ 6,289,000	6,249,000
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%	4.74%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	44.81%	48.69%	37.58%

See accompanying Notes to Required Supplementary Information.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: June 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contributions	\$ 2,200	\$ 2,369	\$ 2,015
Contributions in Relation to the Contractually Required Contributions	<u>(2,200)</u>	<u>(2,369)</u>	<u>(2,015)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's Covered-Employee Payroll	 \$ 4,786,625	 \$ 6,289,000	 \$ 6,249,000
 Contributions as a Percentage of Covered-Employee Payroll	 0.05%	 0.04%	 0.03%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in LRLIF.

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

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF CHANGE IN DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 117,070	\$ 117,070	\$ 113,099
Interest	71,072	68,716	70,185
Changes of Benefit Terms	-	-	(106,007)
Differences Between Expected and Actual Experience	-	-	(202,050)
Changes of Assumptions or Other Input	-	(23,004)	141,276
Benefit Payments	<u>(248,565)</u>	<u>(262,355)</u>	<u>(242,683)</u>
Net Change in Total OPEB Liability	<u>(60,423)</u>	<u>(99,573)</u>	<u>(226,180)</u>
Total OPEB Liability - Beginning	<u>2,096,379</u>	<u>2,035,956</u>	<u>1,936,383</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 2,035,956</u></u>	<u><u>\$ 1,936,383</u></u>	<u><u>\$ 1,710,203</u></u>
Covered-Employee Payroll	\$ 6,328,363	\$ 6,328,363	\$ 7,081,566
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	32.17%	30.60%	24.15%

Changes of Benefit Terms. There were no changes of benefit terms for the District's OPEB plan.

Changes of Assumptions. The discount rate was changed from 3.75% to 3.50%.

No assets are accumulated in a trust.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget. The District did not formally adopt a budget for the Mentorship Program special revenue fund.

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

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

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

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

The following line items exceeded the final budget. These overages were determined necessary and authorized by management.

General Administration	\$ (2,637)
School Building Administration	(34,025)
Maintenance	(306,290)
Central Services	(12,271)
Insurance and Judgments	(9,485)
Debt Services	(425)
Tuition Payments	(313,235)
Other	(40)

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2020**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined
	Fund	Education Fund			Fund	Education Fund			Fund	Education Fund		
REVENUES												
Local Sources:												
Property Taxes	\$ 4,370,061	\$ -	\$ -	\$ 4,370,061	\$ 4,370,061	\$ -	\$ -	\$ 4,370,061	\$ 4,370,061	\$ -	\$ -	\$ 4,370,061
Other Local Sources	84,500	-	-	84,500	84,500	-	-	84,500	273,283	-	-	273,283
Interdistrict Sources	800,000	60,000	-	860,000	800,000	60,000	-	860,000	803,175	84,448	-	887,623
Intermediate Sources	8,000	-	-	8,000	8,000	-	-	8,000	14,623	-	-	14,623
State Sources	13,170,174	580,000	-	13,750,174	13,170,174	580,000	-	13,750,174	13,386,232	556,107	-	13,942,339
Federal Sources	530,561	393,525	-	924,086	530,561	393,525	-	924,086	581,221	411,997	-	993,218
Other Revenues	267,000	-	-	267,000	267,000	-	-	267,000	245,515	-	-	245,515
Sale of Fixed Assets	5,000	-	-	5,000	5,000	-	-	5,000	15,439	-	-	15,439
Total Revenues	19,235,296	1,033,525	-	20,268,821	19,235,296	1,033,525	-	20,268,821	19,689,549	1,052,552	-	20,742,101
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	2,369,441	-	-	2,369,441	2,369,441	-	-	2,369,441	2,282,087	-	-	2,282,087
Regular Curriculum	3,642,565	-	-	3,642,565	3,642,565	-	-	3,642,565	3,337,116	-	-	3,337,116
Vocational Curriculum	635,017	-	-	635,017	635,017	-	-	635,017	601,422	-	-	601,422
Physical Curriculum	552,428	-	-	552,428	552,428	-	-	552,428	539,547	-	-	539,547
Special Education Curriculum	-	2,051,057	-	2,051,057	-	2,051,057	-	2,051,057	-	1,888,464	-	1,888,464
Co-Curricular Activities	507,880	-	-	507,880	507,880	-	-	507,880	387,618	-	-	387,618
Other Special Needs	614,580	-	-	614,580	614,580	-	-	614,580	588,274	-	-	588,274
Total Instruction	8,321,911	2,051,057	-	10,372,968	8,321,911	2,051,057	-	10,372,968	7,736,064	1,888,464	-	9,624,528
Support Services:												
Pupil Services	505,458	340,598	-	846,056	505,458	340,598	-	846,056	460,257	342,806	-	803,063
Instructional Staff Services	777,217	157,262	-	934,479	777,217	157,262	-	934,479	630,558	157,036	-	787,594
General Administration	491,558	-	-	491,558	491,558	-	-	491,558	494,195	-	-	494,195
School Building Administration	815,449	-	-	815,449	815,449	-	-	815,449	849,474	-	-	849,474
Fiscal Services	318,272	-	-	318,272	318,272	-	-	318,272	307,948	-	-	307,948
Operation	1,623,726	-	-	1,623,726	1,623,726	-	-	1,623,726	1,407,466	-	-	1,407,466
Maintenance	431,096	-	-	431,096	431,096	-	-	431,096	737,386	-	-	737,386
Pupil Transportation	943,570	63,508	-	1,007,078	943,570	63,508	-	1,007,078	818,780	64,893	-	883,673
Internal Services	2,000	-	-	2,000	2,000	-	-	2,000	1,950	-	-	1,950
Central Services	805,261	500	-	805,761	805,261	500	-	805,761	817,576	456	-	818,032
Insurance and Judgments	182,500	-	-	182,500	182,500	-	-	182,500	191,985	-	-	191,985
Debt Services	1,000	-	-	1,000	1,000	-	-	1,000	1,425	-	-	1,425
Other Support Services	330,000	-	-	330,000	330,000	-	-	330,000	78,688	-	-	78,688
Total Support	7,227,107	561,868	-	7,788,975	7,227,107	561,868	-	7,788,975	6,797,688	565,191	-	7,362,879
Non-Program:												
Tuition Payments	1,980,000	50,600	-	2,030,600	1,980,000	50,600	-	2,030,600	2,294,313	49,522	-	2,343,835
Other	5,000	-	-	5,000	5,000	-	-	5,000	5,040	-	-	5,040
Total Non-Program	1,985,000	50,600	-	2,035,600	1,985,000	50,600	-	2,035,600	2,299,353	49,522	-	2,348,875
Total Expenditures	17,534,018	2,663,525	-	20,197,543	17,534,018	2,663,525	-	20,197,543	16,833,105	2,503,177	-	19,336,282
EXCESS OF REVENUES OVER EXPENDITURES	1,701,278	(1,630,000)	-	71,278	1,701,278	(1,630,000)	-	71,278	2,856,444	(1,450,625)	-	1,405,819
OTHER FINANCING SOURCES (USES)												
Transfers In	-	1,630,000	(1,630,000)	-	-	1,630,000	(1,630,000)	-	-	1,450,625	(1,450,625)	-
Transfers Out	(1,701,278)	-	1,630,000	(71,278)	(1,701,278)	-	1,630,000	(71,278)	(2,310,975)	-	1,450,625	(860,350)
Total Other Financing Sources (Uses)	(1,701,278)	1,630,000	-	(71,278)	(1,701,278)	1,630,000	-	(71,278)	(2,310,975)	1,450,625	-	(860,350)
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	545,469	-	-	545,469
Fund Balance - Beginning of Year	4,074,296	-	-	4,074,296	4,074,296	-	-	4,074,296	4,074,296	-	-	4,074,296
FUND BALANCE - END OF YEAR	\$ 4,074,296	\$ -	\$ -	\$ 4,074,296	\$ 4,074,296	\$ -	\$ -	\$ 4,074,296	\$ 4,619,765	\$ -	\$ -	\$ 4,619,765

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 4,370,061	\$ 4,370,061	\$ 4,370,061	\$ -
Other Local Sources	84,500	84,500	273,283	188,783
Interdistrict Sources	800,000	800,000	803,175	3,175
Intermediate Sources	8,000	8,000	14,623	6,623
State Sources	13,170,174	13,170,174	13,386,232	216,058
Federal Sources	530,561	530,561	581,221	50,660
Other Sources				
Misc. Revenues	267,000	267,000	245,515	(21,485)
Sale of Fixed Assets	5,000	5,000	15,439	10,439
Total Revenues	<u>19,235,296</u>	<u>19,235,296</u>	<u>19,689,549</u>	<u>454,253</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	2,369,441	2,369,441	2,282,087	87,354
Regular Curriculum	3,642,565	3,642,565	3,337,116	305,449
Vocational Curriculum	635,017	635,017	601,422	33,595
Physical Curriculum	552,428	552,428	539,547	12,881
Co-Curricular Activities	507,880	507,880	387,618	120,262
Other Special Needs	614,580	614,580	588,274	26,306
Total Instruction	<u>8,321,911</u>	<u>8,321,911</u>	<u>7,736,064</u>	<u>585,847</u>
Support Services:				
Pupil Services	505,458	505,458	460,257	45,201
Instructional Staff Services	777,217	777,217	630,558	146,659
General Administration	491,558	491,558	494,195	(2,637)
School Building Administration	815,449	815,449	849,474	(34,025)
Fiscal Services	318,272	318,272	307,948	10,324
Operation	1,623,726	1,623,726	1,407,466	216,260
Maintenance	431,096	431,096	737,386	(306,290)
Pupil Transportation	943,570	943,570	818,780	124,790
Internal Services	2,000	2,000	1,950	50
Central Services	805,261	805,261	817,576	(12,315)
Insurance and Judgments	182,500	182,500	191,985	(9,485)
Debt Services	1,000	1,000	1,425	(425)
Other Support Services	330,000	330,000	78,688	251,312
Total Support Services	<u>7,227,107</u>	<u>7,227,107</u>	<u>6,797,688</u>	<u>429,419</u>
Non-Program Transactions:				
Tuition Payments	1,980,000	1,980,000	2,294,313	(314,313)
Other	5,000	5,000	5,040	(40)
Total Non-Program	<u>1,985,000</u>	<u>1,985,000</u>	<u>2,299,353</u>	<u>(314,353)</u>
Total Expenditures	<u>17,534,018</u>	<u>17,534,018</u>	<u>16,833,105</u>	<u>700,913</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,701,278	1,701,278	2,856,444	1,155,166
OTHER FINANCING USES				
Transfers Out	(1,701,278)	(1,701,278)	(2,310,975)	(609,697)
NET CHANGE IN FUND BALANCE	-	-	545,469	545,469
Fund Balance - Beginning of Year	4,074,296	4,074,296	4,074,296	-
FUND BALANCE - END OF YEAR	<u>\$ 4,074,296</u>	<u>\$ 4,074,296</u>	<u>\$ 4,619,765</u>	<u>\$ 545,469</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 60,000	\$ 60,000	\$ 84,448	\$ 24,448
State Sources	580,000	580,000	556,107	(23,893)
Federal Sources	393,525	393,525	411,997	18,472
Total Revenues	<u>1,033,525</u>	<u>1,033,525</u>	<u>1,052,552</u>	<u>19,027</u>
EXPENDITURES				
Instruction:				
Special Education Curriculum	2,051,057	2,051,057	1,888,464	162,593
Support Services:				
Pupil Services	340,598	340,598	342,806	(2,208)
Instructional Staff Services	157,262	157,262	157,036	226
Pupil Transportation	63,508	63,508	64,893	(1,385)
Central Services	500	500	456	44
Total Support Services	<u>561,868</u>	<u>561,868</u>	<u>565,191</u>	<u>(3,323)</u>
Non-Program Transactions:				
Tuition Payments	50,600	50,600	49,522	1,078
Total Expenditures	<u>2,663,525</u>	<u>2,663,525</u>	<u>2,503,177</u>	<u>160,348</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,630,000)	(1,630,000)	(1,450,625)	179,375
OTHER FINANCING SOURCES				
Transfers In	<u>1,630,000</u>	<u>1,630,000</u>	<u>1,450,625</u>	<u>(179,375)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Food Service	Community Services	Boiler Plant Contingency	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ -	\$ 86,269	\$ 242,575	\$ 328,844
Due from Other Governments	23,695	-	-	23,695
Prepaid Expense	11,700	4,000	-	15,700
 Total Assets	<u>\$ 35,395</u>	<u>\$ 90,269</u>	<u>\$ 242,575</u>	<u>\$ 368,239</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 6,932	\$ -	\$ -	\$ 6,932
Due to Other Governments	2,914	-	-	2,914
Due to Other Funds	10,122	-	-	10,122
Unearned Revenue	15,427	-	-	15,427
Total Liabilities	<u>35,395</u>	<u>-</u>	<u>-</u>	<u>35,395</u>
Fund Balances:				
Nonspendable	11,700	4,000	-	15,700
Restricted	-	86,269	242,575	328,844
Unassigned	(11,700)	-	-	(11,700)
Total Fund Balance	<u>-</u>	<u>90,269</u>	<u>242,575</u>	<u>332,844</u>
 Total Liabilities and Fund Balances	<u>\$ 35,395</u>	<u>\$ 90,269</u>	<u>\$ 242,575</u>	<u>\$ 368,239</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2020**

	Food Service	Community Services	Boiler Plant Contingency	Total Nonmajor Governmental Funds
REVENUES				
Local Sources:				
Property Taxes	\$ -	\$ 295,000	\$ -	\$ 295,000
Other Local Sources	158,099	3,465	535	162,099
State Sources	10,220	-	-	10,220
Federal Sources	442,364	-	-	442,364
Total Revenues	<u>610,683</u>	<u>298,465</u>	<u>535</u>	<u>909,683</u>
EXPENDITURES				
Instruction:				
Undifferentiated Instruction	-	32,650	-	32,650
Support Services:				
Food Services	665,110	-	-	665,110
Community Services	-	251,990	-	251,990
Total Expenditures	<u>665,110</u>	<u>284,640</u>	<u>-</u>	<u>949,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,427)	13,825	535	(40,067)
OTHER FINANCING SOURCES				
Transfers In	<u>54,427</u>	<u>-</u>	<u>-</u>	<u>54,427</u>
NET CHANGE IN FUND BALANCES	-	13,825	535	14,360
Fund Balances - Beginning of Year	<u>-</u>	<u>76,444</u>	<u>242,040</u>	<u>318,484</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 90,269</u>	<u>\$ 242,575</u>	<u>\$ 332,844</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
DEBT SERVICE FUND
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Non-Referendum Debt Service	Referendum Debt Service	Total Debt Service Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 135,950	\$ 319,078	\$ 455,028
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE			
Restricted	\$ 135,950	\$ 319,078	\$ 455,028
	<u> </u>	<u> </u>	<u> </u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
DEBT SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2020**

	Non- Referendum Debt Service	Referendum Debt Service	Total Debt Service Fund
REVENUES			
Local Sources:			
Property Taxes	\$ 817,800	\$ 92,698	\$ 910,498
EXPENDITURES			
Debt Service:			
Principal Retirement	1,530,000	86,048	1,616,048
Interest and Fiscal Fees	99,984	6,650	106,634
Total Expenditures	1,629,984	92,698	1,722,682
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(812,184)	-	(812,184)
OTHER FINANCING SOURCES			
Transfers In	805,923	-	805,923
NET CHANGE IN FUND BALANCES	(6,261)	-	(6,261)
Fund Balances - Beginning of Year	142,211	319,078	461,289
FUND BALANCES - END OF YEAR	\$ 135,950	\$ 319,078	\$ 455,028

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND CHANGES IN BALANCES
YEAR ENDED JUNE 30, 2020**

<u>Organization</u>	<u>Balance July 1, 2019</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Balance June 30, 2020</u>
Almena School	\$ (5)	\$ 250	\$ 250	\$ (5)
Art Club	1,310	744	1,058	996
B-Club	1,630	885	885	1,630
Bahian	2,249	3,165	5,483	(69)
Barron Golden Bears Football	6,228	3,200	4,796	4,632
Basketball	529	890	1,318	101
BHS Track	1,320	1,060	1,339	1,041
Booster Club	1,533	3,966	2,727	2,772
Cheerleaders	2,947	-	-	2,947
Class of 2019	393	-	105	288
Class of 2020	4,988	-	119	4,869
Class of 2021	395	7,898	1,482	6,811
Class of 2022	200	-	-	200
Comfort Closet	2,287	1,750	1,385	2,652
Concessions	677	14,233	9,116	5,794
Conservation Club	235	-	-	235
Cross Country Ski Club	339	1,663	383	1,619
Disaster Relief	203	-	-	203
Enviro Day	390	-	52	338
Travel Club	135	-	-	135
FB-RVMS	2,500	-	-	2,500
FFA	3,830	29,430	22,420	10,840
FCCLA	2,638	2,669	3,385	1,922
Fishing Club (Ice)	3,318	6,428	5,124	4,622
Boys Golf High School	896	-	-	896
Girls Golf High School	(142)	1,965	2,099	(276)
High School - BAY	4,165	7,100	2,719	8,546
High School Baseball Support	2,657	-	-	2,657
High School Softball	1,188	-	182	1,006
High School Girl's Basketball	1,587	7,698	5,940	3,345
Instrumental Music	4,891	15,820	14,292	6,419
HS Choir	4,502	18,008	15,514	6,996
Interest Account	7,002	4,508	2,905	8,605
Key Club	1,608	2,421	3,155	874
Laser	4,101	293	150	4,244
Library HS	3,063	822	832	3,053
Montessori	7,163	1,121	780	7,504
Multicultural Club	497	36	-	533
Musical	3,711	-	-	3,711
PAL	631	2,863	3,202	292
Prom & Dance	2,018	-	-	2,018
Post Prom	1,304	3,235	258	4,281

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND CHANGES IN BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2020**

<u>Organization</u>	<u>Balance July 1, 2019</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Balance June 30, 2020</u>
Ridgeland - Dallas School	\$ 7,257	\$ 2,000	\$ 241	\$ 9,016
Riverview Builders Club	83	-	-	83
Riverview Play	2,936	-	-	2,936
Riverview Band	1,868	1,201	249	2,820
Riverview Store	460	-	-	460
Riverview Science Room 141	777	684	925	536
Riverview Cub	742	2,559	2,555	746
Riverview FCCLA	2,322	3,151	4,664	809
Riverview IMC	330	-	-	330
Riverview - Music	(171)	84	-	(87)
Riverview - Ski Club	560	688	708	540
Riverview - Juice	109	3,534	3,553	90
Riverview Middle School Sunshine	-	1,329	852	477
Student Senate - Riverview	5,518	5,448	5,119	5,847
Student Senate - High School	1,770	3,435	4,234	971
Girls Soccer	906	220	138	988
Boys Soccer	794	205	484	515
Soup Bowls	231	-	231	-
Spanish Club	201	1,529	1,207	523
Tennis - Girls	617	75	196	496
Skills USA	3,898	-	-	3,898
HS Volleyball	7,455	40,577	38,020	10,012
Woodland School	1,494	-	-	1,494
Woodland CD Room	956	-	-	956
Woodland Library	1,030	108	235	903
Wrestling	327	272	730	(131)
Total	\$ 133,581	\$ 211,220	\$ 177,796	\$ 167,005

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2020**

SECTION I: AUTHORIZER INFORMATION

Authorizing Entity: Barron Area School District
Authorizer Address: 100 West River Avenue, Barron, WI 54812
Authorizer Contact Person: Diane Tremblay
Contact Person Title: District Administrator
Contact Person Phone: 715-537-5612, ext 402
Contact Person Email: tremblayd@barron.k12.wi.us

SECTION II: CHARTER SCHOOL INFORMATION

Charter Schools Currently Under Contract:

School Name:	Contract Start Date:	Contract Expiration Date:	Grades Served:
Advanced Learning Academy	9/28/2015	10/1/2020	K-12
Barron Area Montessori School	7/1/2020	6/30/2022	K4-3

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS

Advanced Learning Academy of Wisconsin (ALAW)

During the 2019-20 school year, based on the Alternative Accountability Report, ALAW set reading/English language arts academic achievement goal of having 50% of ALAW students that tested will be at/above the 50th percentile rank in STAR Reading and to see a growth in their reading results. Also, ALAW set a goal to increase a growth in math skills for their students from 10.32 and use the STAR results as their measurement tool. Due to mandatory closure of public schools in the State of Wisconsin, there was not sufficient data collected to determine typical growth of students during the 2019-20 school year.

Barron Area Montessori School (BAMS)

BAMS set a reading goal of seeing typical growth (35-65) and/or above typical growth (66-99) in reading for 80% of the students as measured by STAR for grades 1-3. Due to the mandatory closure of public schools in the State of Wisconsin, there was not sufficient data collected to determine typical growth of students during the 2019-20 school year.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2020**

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS

Advanced Learning Academy of Wisconsin (ALAW)

The Barron Area School District's (BASD) agreement with the Advanced Learning Academy of Wisconsin (ALAW) states that ALAW shall receive 80% of the correlating funding that BASD would receive for that student. For example, if the student is a district resident student, ALAW receives 80% of the revenue limit per-pupil funding. Also, if an ALAW student is an open-enrolled student, ALAW receives 80% of the current-year DPI open-enrollment funding amount. Funding numbers are based on third-Friday in September pupil counts and the budget for ALAW is set at that point in time.

During the 2019-20 fiscal year third-Friday count, ALAW had 49 students: 31 open-enrolled students and 18 district resident students. Based on these numbers, the ALAW budget was adopted at \$350,306 for 2019-20. ALAW expenditures for the fiscal-year totaled \$278,138. The excess monies that were not utilized by ALAW, and the 20% portion BASD keeps per the agreement, are utilized in the general fund to offset other expenditures related to copying, facility use, utilities, and administrative support.

Barron Area Montessori School (BAMS)

The Barron Area School District's (BASD) agreement with the Barron Area Montessori School (BAMS) states that BAMS shall receive 60% of the correlating funding that BASD would receive for that student. For example, if the student is a district resident student, BAMS receives 60% of the revenue limit per-pupil funding. Also, if a BAMS student is an open-enrolled student, BAMS receives 60% of the current-year DPI open-enrollment funding amount. It should also be noted that BAMS accepts 3 and 4 year old students. There is no funding allotment for 3-year olds, as the District is not funded for those students. 4 year old students are also prorated to the same FTE proration that the District receives. Funding numbers are based on third-Friday in September pupil counts and the budget for BAMS is set at that point in time.

During the 2019-20 fiscal year third-Friday count, BAMS had 31 students 4-year old and older: 4 open-enrolled students and 27 district resident students. 6 students were 4-year olds and received prorated funding. Based on these numbers, the BAMS budget was adopted at \$185,011 for 2019-20. BAMS expenditures for the fiscal-year totaled \$191,240. The excess expenditures that Montessori exceeded their allotted budget by were covered by the Barron Area School District general fund.

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS

None.

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2020**

SECTION VI: AUTHORIZER OPERATING COSTS

Advanced Learning Academy of Wisconsin (ALAW)

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 220,250
EMPLOYEE BENEFITS	200	21,664
PURCHASED SERVICES	300	23,782
NON-CAPITAL OBJECTS	400	1,691
CAPITAL OBJECTS	500	10,751
TOTAL		\$ 278,138

Barron Area Montessori School (BAMS)

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 128,566
EMPLOYEE BENEFITS	200	53,827
PURCHASED SERVICES	300	6,550
NON-CAPITAL OBJECTS	400	2,297
TOTAL		\$ 191,240

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

Advanced Learning Academy of Wisconsin (ALAW)

SERVICES PROVIDED	FUNCTION CODE	COST
HEALTH SERVICES	214000	\$ 3,477
GENERAL ADMINISTRATION	230000	6,953
BUILDING ADMINISTRATION	240000	9,039
BUSINESS SERVICES	252000	4,867
GENERAL OPERATIONS	253000	34,767
TECHNOLOGY	266000	10,430
TOTAL		\$ 69,533

Barron Area Montessori School (BAMS)

SERVICES PROVIDED	FUNCTION CODE	COST
HEALTH SERVICES	214000	\$ 6,375
GENERAL ADMINISTRATION	230000	12,749
BUILDING ADMINISTRATION	240000	16,574
BUSINESS SERVICES	252000	8,925
GENERAL OPERATIONS	253000	63,747
TECHNOLOGY	266000	19,124
TOTAL		\$ 127,494

OTHER SCHEDULES

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
DEBT RETIREMENT SCHEDULE FOR
TAXABLE GENERAL OBLIGATION ZONE ACADEMY BONDS DATED MARCH 5, 2008
OUTSTANDING AT JUNE 30, 2020**

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
3/4/2021	1.500%	\$ 87,339	\$ 5,359	\$ 92,698
3/4/2022	1.500%	88,649	4,049	92,698
3/4/2023	1.500%	89,979	2,720	92,699
3/4/2024	1.500%	<u>91,329</u>	<u>1,370</u>	<u>92,699</u>
		<u>\$ 357,296</u>	<u>\$ 13,498</u>	<u>\$ 370,794</u>

**BARRON AREA SCHOOL DISTRICT
 BARRON, WISCONSIN
 DEBT RETIREMENT SCHEDULE FOR
 GENERAL OBLIGATION QUALIFIED ZONE ACADEMY BONDS DATED JANUARY 18, 2010
 OUTSTANDING AT JUNE 30, 2020**

<u>Date Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/15/2020	\$ 65,000	\$ -	\$ 65,000
12/15/2021	65,000	-	65,000
12/15/2022	65,000	-	65,000
12/15/2023	65,000	-	65,000
12/15/2024	65,000	-	65,000
12/15/2025	<u>65,000</u>	<u>-</u>	<u>65,000</u>
	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ 390,000</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
DEBT RETIREMENT SCHEDULE FOR
TAXABLE GENERAL OBLIGATION REFUNDING BONDS DATED AUGUST 26, 2015
OUTSTANDING AT JUNE 30, 2020**

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9/1/2020		\$ -	\$ 10,355	\$ 10,355
3/1/2021	2.500%	125,000	10,355	135,355
9/1/2021		-	8,792	8,792
3/1/2022	2.850%	130,000	8,792	138,792
9/1/2022		-	6,940	6,940
3/1/2023	3.100%	135,000	6,940	141,940
9/1/2023		-	4,848	4,848
3/1/2024	3.300%	140,000	4,848	144,848
9/1/2024		-	2,538	2,538
3/1/2025	3.500%	145,000	2,538	147,538
		<u>\$ 675,000</u>	<u>\$ 66,946</u>	<u>\$ 741,946</u>

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
DEBT RETIREMENT SCHEDULE FOR
GENERAL OBLIGATION PROMISSORY NOTES DATED NOVEMBER 6, 2017
OUTSTANDING AT JUNE 30, 2020**

<u>Date Due</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9/1/2020		\$ -	\$ 21,144	\$ 21,144
3/1/2021	1.910%	555,000	21,144	576,144
9/1/2021		-	15,844	15,844
3/1/2022	1.990%	565,000	15,844	580,844
9/1/2022		-	10,222	10,222
3/1/2023	2.070%	575,000	10,222	585,222
9/1/2023		-	4,271	4,271
3/1/2024	2.190%	390,000	4,271	394,271
		<u>\$ 2,085,000</u>	<u>\$ 102,962</u>	<u>\$ 2,187,962</u>

SINGLE AUDIT SECTION

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipient	Accrued Receivable (Unearned Revenue) 7/1/19	Expenditures	Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) 6/30/20
<u>U.S. Department of Agriculture</u>								
Child Nutrition Cluster:								
School Breakfast Program:								
COVID-19 - School Breakfast Program	10.553	WI DPI	2020-030308-DPI-SB-Severe-546	\$ -	\$ -	\$ 5,214	\$ 5,214	\$ -
School Breakfast Program		WI DPI	2020-030308-DPI-SB-Severe-546	-	1,831	59,627	61,458	-
Total School Breakfast Program (CFDA #10.555)				-	1,831	64,841	66,672	-
National School Lunch Program:								
Food Distribution/Donation	10.555	WI DPI	A001-00000-030308	-	-	40,893	40,893	-
COVID-19 - School Lunch Program		WI DPI	2020-030308-DPI-NSL-547	-	-	17,843	17,843	-
School Lunch Program		WI DPI	2020-030308-DPI-NSL-547	-	6,023	186,071	192,094	-
Total National School Lunch Program (CFDA #10.555)				-	6,023	244,807	250,830	-
Summer Food Service Program for Children								
COVID-19 - Summer Food Service Program	10.559	WI DPI	2020-030308-SFSP-586	-	-	98,239	74,544	23,695
Summer Food Service Program		WI DPI	2020-030308-SFSP-586	-	-	24,521	24,521	-
Total Summer Food Service Program (CFDA #10,559)				-	-	122,760	99,065	23,695
Total Child Nutrition Cluster				-	9,685	374,489	384,174	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2020-030308-2018-19 DP-594; 2020-030308-20FFVP-OCT-376	-	-	9,956	9,956	-
Total Department of Agriculture				-	7,854	442,364	426,523	23,695
<u>U.S. Department of Education</u>								
Title I Grants to Local Education Agencies	84.010	WI DPI	2020-030308-TIA-141	-	135,938	286,494	268,739	153,693
Special Education Cluster:								
Special Education Grants to States (IDEA Flow Through)	84.027	WI DPI	2020-030308-DPI-IDEA-F-341	-	185,230	308,733	393,343	100,620
Special Education Preschool Grants (IDEA Preschool Entitlement)	84.173	WI DPI	2020-030308-DPI-IDEA-P-347	-	9,547	9,792	9,547	9,792
Total Special Education Cluster				-	194,777	318,525	402,890	110,412
21st Century Community Learning Center	84.287	WI DPI	2020-030308-CLC DPI-367	-	29,036	83,950	29,036	83,950
Immigrant Discretionary (Title III-A)	84.365	WI DPI	2020-030308-DPI-T3-391	-	62,448	18,364	62,448	18,364
Improving Teacher Quality State Grants (Title II-A)	84.367	WI DPI	2020-030308-TIIA-365	-	45,104	55,032	61,257	38,879
Vocational Education Basic Grants to States - NTO Programs (STEM)	84.048	WI DPI	2019-030308-NTO-420	-	6,289	-	6,289	-
Student Support and Enrichment Grants (Title IV)	84.424	WI DPI	2020-030308-TIVA-DPI-381	-	20,061	19,528	39,589	-
Total Department of Education				-	493,653	781,893	870,248	405,298
<u>U.S. Department of Health and Human Services</u>								
Medicaid Cluster - School Based Services	93.778	WI DHS	Provider #44236100	-	45,132	211,324	253,577	2,879
Total Department of Health and Human Services				-	45,132	211,324	253,577	2,879
Total Federal Program Awards				\$ -	\$ 546,639	\$ 1,435,581	\$ 1,550,348	\$ 431,872

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

**Barron Area School District
BARRON, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	State Grant Number	Accrued Receivable (Unearned Revenue) July 1, 2019	Expenditures	State Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2020
<u>Wisconsin Department of Public Instruction</u>						
Major State Programs:						
Pupil Transportation	255.107	030308-102	\$ -	\$ 82,867	\$ 82,867	\$ -
General Aids:						
General Equalization	255.201	030308-116	191,684	11,296,555	11,302,919	185,320
Aid for High-Poverty School District	255.926	030308-121	-	94,615	94,615	-
Total General Aids			191,684	11,391,170	11,397,534	185,320
Student Achievement Guarantee in Education	255.504	030308-160	-	422,683	422,683	-
Per Pupil Aid	255.945	030308-113	-	1,040,284	1,040,284	-
Total Major Programs			191,684	12,937,004	12,943,368	185,320
Nonmajor State Programs:						
Handicapped Pupils and School Age Parents:						
Internal District Programs	255.101	[1]				
State Lunch	255.102	030308-100	-	552,107	552,107	-
Common School Fund	255.103	030308-107	-	6,140	6,140	-
Bilingual/Bicultural Aid	255.106	030308-104	-	69,874	69,874	-
Supplemental Per Pupil Aid	255.106	030308-111	-	47,032	47,032	-
School Mental Health Grant	255.245	030308-181	-	4,706	4,706	-
School Breakfast Program	255.297	030308-177	-	73,575	-	73,575
Early College Credit Program	255.344	030308-108	-	4,080	4,080	-
Educator Effectiveness Grant	255.445	030308-178	-	7,810	7,810	-
Career & Technical Educational Incentive Grant	255.940	030308-154	-	11,520	11,520	-
Assessments of Reading Readiness	255.950	030308-152	-	4,185	4,185	-
Aid for Special Education Transition	255.956	030308-166	-	3,208	3,208	-
Aid for Special Education Transition	255.960	030308-168	-	4,000	4,000	-
<u>Wisconsin Department of Workforce Development</u>						
Youth Apprenticeship	445.107	CESA #11	1,026	3,252	1,026	3,252
<u>Wisconsin Department of Justice</u>						
School Safety Grant	455.206	SSI-13474 & 14069	108,821	196,640	119,834	185,627
Total Nonmajor Programs			109,847	988,129	835,522	262,454
Total State Financial Assistance			\$ 301,531	\$ 13,925,133	\$ 13,778,890	\$ 447,774

[1] District's 2019-2020 Aidable Costs Reported to DPI Totaled \$2,178,644.

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

Barron Area School District
BARRON, WISCONSIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* and the *Wisconsin State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 FOOD DISTRIBUTION

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

NOTE 4 INDIRECT COSTS

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

NOTE 5 MEDICAL ASSISTANCE

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Barron Area School District
Barron, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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 Barron Area School District, Wisconsin (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 6, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Barron Area School District’s Response to Finding

The District’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 6, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE *UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES***

Board of Education
Barron Area School District
Barron, Wisconsin

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each of the Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on to each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 result of that testing based on the requirements of the Uniform Guidance and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 6, 2020

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

PART I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness(es) identified X yes no
 • Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

 Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? yes X no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X 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)? yes X no

Identification of major Federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, and 10.559
84.010

Child Nutrition Cluster
Title I

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major programs:
 • Material weakness(es) identified? yes X no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X 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 the *State Single Audit Guidelines*? yes X no

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

PART I: SUMMARY OF AUDITORS' RESULTS (CONTINUED)

State Awards (Continued)

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.107	Pupil Transportation
255.201, 255.926	General Aids: General Equalization Aids & Aid for High-Poverty School District
255.504	Student Achievement Guarantee in Education (SAGE)
255.945	Per Pupil Aid

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? yes X no

OTHER ISSUES

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Health Services	No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal 
April L. Anderson, CPA

5. Date of Report November 6, 2020

**BARRON AREA SCHOOL DISTRICT
BARRON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

PART II: FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING: 2020-001 LIMITED SEGREGATION OF DUTIES

Type of Finding: Material weakness

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

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

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

Cause: The condition is due to limited staff available.

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

Repeat Finding: See 2019-001

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

Views of Responsible Officials and Planned Corrective Actions: The District continues to work to achieve segregation of duties whenever cost effective. The District Superintendent is the official responsible for ensuring corrective action of the deficiency.

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None.

PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

None.

PART V: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS

None.