

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 8, 2018

NEW ISSUE
Bank Qualified

S&P Global Rated "A+/Stable"
(See "RATING" herein)

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. The Notes shall be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

\$2,405,000
SCHOOL DISTRICT OF FALL CREEK
Eau Claire County, Wisconsin
General Obligation Promissory Notes

Dated: January 3, 2019

Due: March 1, 2019 - 2025

The \$2,405,000 General Obligation Promissory Notes (the "Notes") will be dated January 3, 2019, will be in the denomination of \$5,000 each or any multiple thereof, and will mature serially on March 1 of the years 2019 through 2025. Interest on the Notes shall be payable commencing on March 1, 2019 and semi-annually thereafter on September 1 and March 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as paying agent for the Notes.

MATURITY SCHEDULE*

<u>(March 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	CUSIP ⁽¹⁾ Base <u>306184</u>	<u>(March 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	CUSIP ⁽¹⁾ Base <u>306184</u>
2019	\$370,000				2023	\$365,000			
2020	410,000				2024	380,000			
2021	335,000				2025	195,000			
2022	350,000								

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the School District of Fall Creek, Wisconsin (the "District"), for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a High School improvement project consisting of: building infrastructure, safety and security improvements, including the addition of a secure entrance; classroom and music room modernization; renovation and expansion of the commons; construction of a larger school and community weight and fitness center; and acquisition of related furnishings, fixtures and equipment (the "Project"). (See "THE FINANCING PLAN" herein.)

The Notes maturing March 1, 2024 and thereafter are subject to call and prior redemption, at the option of the District, on March 1, 2023 or any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:



The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also act as Disclosure Counsel for the District. The anticipated settlement date for the Notes is on or about January 3, 2019.

SALE DATE: NOVEMBER 19, 2018

SALE TIME: 10:00 A.M. (CT)

*Preliminary, subject to change.

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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

SCHOOL DISTRICT OF FALL CREEK
(Eau Claire County, Wisconsin)

SCHOOL BOARD

Brock Wright, President
Eric Ryan, Vice President
AnnMarie Anderson, Clerk
Jill Geske, Treasurer
Tarese Dubiel, Member

ADMINISTRATION

Dr. Joe Sanfelippo, Superintendent
Brad Ceranski, High School Principal
Brad LaPoint, Elementary and Middle School Principal
Kelly Speckien, School Psychologist, Special Education Director and DAC Coordinator
John Goodman, 6th – 12th Grade Assistant Principal

PROFESSIONAL SERVICES

School District Attorney: Weld, Riley, Prenn & Ricci, S.C, Eau Claire, Wisconsin
Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Disclosure Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent: Associated Trust Company, National Association, Green Bay, Wisconsin

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the School District of Fall Creek, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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SUMMARY

District:	School District of Fall Creek, Eau Claire County, Wisconsin.
Issue:	\$2,405,000 General Obligation Promissory Notes.
Dated Date:	January 3, 2019.
Interest Due:	Commencing March 1, 2019 and on each September 1 and March 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	March 1 of the years 2019 through 2025.
Redemption Provisions:	<p>The Notes maturing on and after March 1, 2024 shall be subject to call and prior payment, at the option of the District, on March 1, 2023 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the District. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)</p> <p>All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)</p>
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied without limitation on all the taxable property in the District, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a High School improvement project consisting of: building infrastructure, safety and security improvements, including the addition of a secure entrance; classroom and music room modernization; renovation and expansion of the commons; construction of a larger school and community weight and fitness center; and acquisition of related furnishings, fixtures and equipment (the "Project"). (See "THE FINANCING PLAN" herein.)
Credit Rating:	This issue has been assigned a "A+/Stable" rating by S&P Global Ratings, a division of S&P Global ("S&P"). (See "RATING" herein.)
Tax Status:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
Bank Qualification:	The Notes shall be designated as "qualified tax-exempt obligations."
Bond Years:	7,047.47 years.
Average Life:	2.930 years.
Record Date:	The 15th day of the calendar month next preceding each interest payment date.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the School District of Fall Creek, Wisconsin (the "District" and the "State" respectively) in connection with the sale of the District's \$2,405,000 General Obligation Promissory Notes (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the School Board (the "Board") and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Resolutions. Copies of the Resolutions may be obtained from the Financial Advisor upon request.

THE FINANCING PLAN

As the result of a referendum election held on April 3, 2018, the District has been authorized to issue general obligation bonds in an amount not to exceed \$12,400,000 for the public purpose of paying the cost of a High School improvement project consisting of: building infrastructure, safety and security improvements, including the addition of a secure entrance; classroom and music room modernization; renovation and expansion of the commons; construction of a larger school and community weight and fitness center; and acquisition of related furnishings, fixtures and equipment (the "Project").

Pursuant to a resolution adopted by the Board on June 18, 2018, the District awarded the sale of \$9,995,000 General Obligation School Improvement Bonds (the "Bonds"), which constituted a portion of the referendum-approved Project. The Bonds are dated July 12, 2018 and the Bonds maturing on March 1, 2027 and thereafter are callable at par on March 1, 2026 or any date thereafter.

The Notes are being issued to finance the remaining portion of the Project.

REDEMPTION PROVISIONS

Optional Redemption

The Notes maturing on March 1, 2024 and thereafter are subject to call and prior redemption, at the option of the District, on March 1, 2023 or any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption.

Mandatory Redemption

All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder as provided in the Official Notice of Sale.

Such term bonds shall be subject to mandatory sinking fund redemption. Such term bonds shall have a stated maturity or maturities of March 1, in such years as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity of 100% of the principal amount thereof, plus accrued interest to the redemption date or dates and in amounts consistent with the maturity schedule on the cover of this Official Statement.

ESTIMATED SOURCES AND USES*

Sources of Funds

Par Amount of Notes	\$2,405,000
Net Reoffering Premium	79,116
Total Sources of Funds:	<u><u>\$2,484,116</u></u>

Uses of Funds

Deposit to Project Construction Fund	\$2,405,000
Costs of Issuance (Including Underwriter's Discount) and Rounding	79,116
Total Uses of Funds:	<u><u>\$2,484,116</u></u>

**Preliminary, subject to change.*

**CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS
CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS**

The Constitution and laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of said bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such notes or bonds.

Refunding Bonds

In addition to being authorized to issue bonds, the District is authorized to borrow money using refunding bonds for refunding existing debt. To evidence such indebtedness, the District must issue to the lender its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the District. Refunding bonds are not subject to referendum.

Promissory Notes

The District is also authorized to borrow money using notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding ten years following the date of said notes. Such notes constitute a general obligation of the District. Notes issued by the District to refinance or refund outstanding notes issued by the District may be payable no later than twenty years following the original date of such notes, or ten years, whichever is less.

Bond or Note Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the District is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be a general obligation of the District, and do not constitute an indebtedness of the District, nor a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due, and (b) proceeds to be derived from the issuance and sale of general obligation bonds or promissory notes which proceeds constitute a special trust fund to be held and expended solely for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

Temporary Borrowing

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the then current school year. No such loan or loans shall be made to extend beyond November 1 of the following year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the District for the current school year in which the loan is made.

Debt Limit

The District has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed ten percent of the equalized value of taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption "INDEBTEDNESS OF THE DISTRICT - Debt Limit," herein.

THE RESOLUTIONS

The following are summaries of certain provisions of the Resolutions adopted by the Board pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Initial Resolution; Referendum Election; Permanent Financing

By way of a resolution adopted on January 15, 2018 (the "Initial Resolution"), the Board authorized the issuance of general obligation bonds in an amount not to exceed \$12,400,000 for the purpose of paying the cost of the Project.

By way of a resolution adopted on January 15, 2018, the Board provided for a referendum election to be held on April 3, 2018. The District gave notice to the electors relating to the bond referendum at which time the electors would vote to approve or reject the Initial Resolution.

On April 3, 2018, a referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 589 votes were cast "Yes" for approval of the Initial Resolution and 377 votes were cast "No" for rejection of the Initial Resolution.

The District adopted a resolution on June 18, 2018 and issued the Bonds to provide financing for a portion of the Project.

The Notes are being issued to finance the remaining portion of the Project.

Award Resolution

By way of a resolution to be adopted on November 19, 2018 (the "Award Resolution"), the Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2019 through 2025 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

THE DISTRICT

The administration of the District is exercised by a Board. The Board consists of five members who are elected at large for staggered three-year terms of office. The Board elects a President, Vice President, Clerk and Treasurer from among its members for one-year terms. The Board is empowered to employ a Superintendent to conduct the affairs and programs of the District.

Common school districts hold an annual meeting, which will incorporate a public hearing, prior to adopting the budget for the ensuing year. The Board shall present at the annual meeting a full, itemized written report. The report shall state all receipts and expenditures of the District since the last annual meeting, the current cash balance of the District, the amount of the deficit and the bills payable of the District, the amount necessary to be raised by taxation for the support of the schools of the District for the ensuing year and the amount required to pay the principal and interest of any debt due during the ensuing year. The report shall also include the budget

summary. The Board has the power and duty, among other things, to make rules for the organization, gradation, and government of the schools of the District, enter into agreements with other governmental units, tax for operation and maintenance, engage employees, including a Superintendent, and purchase school equipment.

The Board

<u>Name</u>	<u>Expiration of Term</u>
Brock Wright, President	April, 2019
Eric Ryan, Vice President	April, 2021
AnnMarie Anderson, Clerk	April, 2020
Jill Geske, Treasurer	April, 2020
Tarese Dubiel, Member	April, 2021

Source: The District.

Administration⁽¹⁾

<u>Name</u>	<u>Title</u>	<u>Years of Service</u>
Dr. Joe Sanfelippo	Superintendent	8
Brad Ceranski	High School Principal	2 ⁽²⁾
Brad LaPoint	Elementary and Middle School Principal	14
Kelly Speckien	School Psychologist, Special Education Director and DAC Coordinator	10
John Goodman	6 th – 12 th Grade Assistant Principal	0 ⁽³⁾

⁽¹⁾Debby Brunett, an employee of Robert W. Baird & Co., Incorporated, is contracted on a part-time basis by the District as a Business Manager-Consultant. See "FINANCIAL ADVISOR" herein.

⁽²⁾Mr. Ceranski was previously the High School Principal at the School District of Thorp prior to joining the District.

⁽³⁾Mr. Goodman was previously the CESA #10 CTE Coordinator prior to joining the District.

Source: The District.

District Facilities

<u>Facility⁽¹⁾</u>	<u>Year of Construction</u>	<u>Addition</u>
Fall Creek High School	1972	1994
Fall Creek Middle School	1994	---
Fall Creek Elementary School	1962	1965

⁽¹⁾Consists of one pre-k-12 complex which houses separate sections for the high school, middle school and elementary school.
Source: The District.

School Enrollments

<u>Year</u>	<u>Total Pre-K through 12 (Headcount)</u>
2014-15	825
2015-16	842
2016-17	832
2017-18	851
2018-19	859
2019-20*	842
2020-21*	850
2021-22*	839
2022-23*	845
2023-24*	851

*Projected enrollments based on the 15-year cohort survival rate assuming flat 4K enrollments over the next five years.
Source: The District.

Employment Relations

<u>Department</u>	<u>Number of Employees*</u>
Teachers	63
Administration	5
Instructional and Certified Aides	20
Secretaries	5
Custodians	5
Food Service	8
Transportation	6
Supervisors	1
Bookkeeper	1
School Nurse	1
Total	<u>115</u>

*Headcount.

Source: The District.

The District currently has no collective bargaining units. The District considers its relationship with the employees to be good.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, on May 21, 2012, the Board approved an Employee Handbook, which became effective July 1, 2013 for all employee groups. The Employee Handbook was most recently updated as of June 18, 2018. The Employee Handbook sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook's terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

Pension Plan

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. During the fiscal years ended June 30, 2015 ("Fiscal Year 2015"), June 30, 2016 ("Fiscal Year 2016") and June 30, 2017 ("Fiscal Year 2017"), the District's portion of contributions to WRS (not including any employee contributions) totaled \$309,057, \$298,464 and \$289,481, respectively.

The District implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2017, the District reported a liability of \$254,955 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2016 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.03093218% of the aggregate WRS net pension liability as of December 31, 2016.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 8 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2017" attached hereto.

Supplemental Pension Benefits

The District provides supplemental pension benefits to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single-employer defined benefit plan. There were 19 active eligible employees and 12 retirees receiving benefits as of June 30, 2016, the date of the latest actuarial study.

Pension benefit calculations are required to be updated every two years and be prepared in accordance with GASB 68. An actuarial study for the plan prepared in accordance with GASB 68 was most recently completed by Key Benefit Concepts, LLC in July 2017 with an actuarial valuation date of June 30, 2016.

Under GASB 68, an actuarially determined contribution ("ADC") is calculated as a target or recommended contribution to the plan for the reporting period, determined in conformity with actuarial standards based on the most recent measurement available. As shown in the District's audited financial statements for Fiscal Year 2017, the District's ADC for Fiscal Year 2017 was \$4,186. For Fiscal Year 2017, there were no contributions to the plan because the plan's fiduciary net position exceeded the total pension liability as assets in the trust were available for payment of benefits. The District's current practice is to fund early retirement with accumulated trust assets. The District anticipates no future trust contributions will be needed as trust assets are in excess of the total liability.

As shown District's audited financial statements for Fiscal Year 2017, as of June 30, 2017, the plan's total pension liability was \$939,137 and the plan fiduciary net position was \$1,142,288, resulting in a net pension asset of \$203,151.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such

actuarial assumptions, see Note 9 of the District's audited financial statements for the fiscal year ended June 30, 2017 included as Appendix A to this Official Statement.

Other Post-Employment Benefits

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single-employer plan. Membership of the plan consisted of 8 retirees receiving benefits and 14 active eligible plan members as of June 30, 2016, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every three years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefit Concepts, LLC in July 2017 with an actuarial valuation date of June 30, 2016.

The District's ADC for Fiscal Year 2017 was \$10,230. For Fiscal Year 2017, there were no contributions to the plan because assets in the trust were available for payment of benefits. The District's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis with additional discretionary contributions to a trust to accumulate assets for payment of future benefits.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As shown District's audited financial statements for Fiscal Year 2017, as of June 30, 2017, the plan's total pension liability was \$185,418 and the plan fiduciary net position was \$75,526, resulting in a net pension liability of \$109,892.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 10 of the District's audited financial statements for the fiscal year ended June 30, 2017 included as Appendix A to this Official Statement.

GENERAL INFORMATION

Location

The District is located in Eau Claire County in northwestern Wisconsin, and comprises an area of approximately 105 square miles. The District is located 12 miles east of the City of Eau Claire, 96 miles east of St. Paul, Minnesota and 171 miles northwest of the City of Madison. Municipalities served by the District include a small portion of the City of Altoona, the entire Village of Fall Creek and portions of the Towns of Clear Creek, Lincoln, Ludington, Seymour and Washington.

Education

The District offers a comprehensive program for students in pre-kindergarten through the 12th grade. Through the use of one pre-K-12 complex, which houses separate sections for the high school, middle school and elementary school, the District's students participate in excellent educational programs. Enrollment for the 2018-19 school year is 859. The District's estimated 2016 estimated population is 4,245*.

**Source: U.S. Census Bureau.*

Post-Secondary Education

Post-secondary educational opportunities are available within commuting distance. Chippewa Valley Technical College District provides vocational, technical and adult educational training. A central campus is located in the City of Eau Claire, with additional locations in the surrounding Cities of Menomonie, Chippewa Falls, Neillsville

and River Falls. The University of Wisconsin-Eau Claire, the University of Wisconsin-River Falls, and the University of Wisconsin-Stout in Menomonie are institutions offering four-year degree programs near the District.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	Eau Claire <u>County</u>	Village of <u>Fall Creek</u>	Town of <u>Lincoln</u>	Town of <u>Seymour</u>
Estimate, 2018	102,816	1,264	1,148	3,340
Estimate, 2017	102,340	1,287	1,146	3,330
Estimate, 2016	101,731	1,302	1,142	3,328
Estimate, 2015	100,973	1,307	1,128	3,285
Census, 2010	98,736	1,315	1,096	3,209

Source: Wisconsin Department of Administration, Demographic Services Center.

Per Return Adjusted Gross Income

	State of <u>Wisconsin</u>	Eau Claire <u>County</u>	Village of <u>Fall Creek</u>	Town of <u>Lincoln</u>	Town of <u>Seymour</u>
2016	\$55,267	\$54,543	\$44,404	\$63,986	\$69,224
2015	54,227	57,602	43,248	59,624	65,698
2014	52,050	75,290	41,900	56,400	59,760
2013	50,670	68,660	41,790	60,150	59,320
2012	49,900	64,210	41,720	57,400	57,780

Source: Wisconsin Department of Revenue, Bureau of Systems and Data Processing.

Unemployment Rate

	State of <u>Wisconsin</u>	Eau Claire <u>County</u>
August, 2018	3.1%	2.6%
August, 2017	3.3	3.0
Average, 2017	3.3%	2.9%
Average, 2016	4.0	3.4
Average, 2015	4.5	3.8
Average, 2014	5.4	4.5
Average, 2013	6.7	5.7

Source: Wisconsin Department of Workplace Development.

Building Permit Valuations

Residential building permits for the Village of Fall Creek are listed below:

<u>Year*</u>	Number of <u>Permits</u>	<u>Valuation</u>
2018	1	\$198,000
2017	2	370,000
2016	5	910,000
2015	0	0
2014	2	425,000

*As of August, 2018.

Source: U.S. Census Bureau.

Largest Employers

Because of the District's proximity to the Cities of Eau Claire and Chippewa Falls, many District residents commute for employment. The largest employers in Eau Claire include Luther Midelfort Mayo Health System, a medical facility with 3,396 employees, Menard's, a home improvement retail company with its headquarters, distribution center and retail stores employing approximately 10,000 people, and Phillips Medisize, manufacturer of hospital equipment & supplies employing approximately 2,240 people, and the University of Wisconsin-Eau Claire employing 1,250 people. The largest employers in Chippewa Falls include TTM Technologies, Inc., a circuit boards manufacturer with 1,200 employees, Chippewa Falls Area Unified School District, employing 655 people, and St. Joseph's Hospital, a medical facility with 500 employees.

Listed below are the largest employers located in the District.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
The District	Education	115
Mail Source, Inc.	Mailing services	80
Eau Claire Electric Co-op	Electric power distribution service	50
The Village of Fall Creek	Government	34
Connell's Club 12	Restaurant	15
Brackett's Bar	Bar/restaurant	15
HBI Investments	Residential care homes	15
Fall Creek Mutual Insurance Co.	Insurance	12
Irra-Gator	Sprinklers – garden & lawn retail	12
Beaver Creek Reserve	Government	11

Source: Infogroup (www.salesgenie.com), the District, City of Eau Claire Official Statement dated September 12, 2018, City of Chippewa Falls Official Statement dated September 19, 2018 and direct employer contacts.

Largest Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation</u>	<u>2017 Equalized Valuation</u>
G Pack Real Estate LLC ⁽¹⁾	Cheese packaging plant	\$4,945,100	\$5,127,627
Zwickel Properties LLC ⁽¹⁾	Direct mail services	1,320,400	1,369,137
Individual ⁽²⁾	Residential	894,600	972,593
Individual ⁽²⁾	Residential	890,200	967,810
Superior 7 Mile Creek Landfill ⁽³⁾	Landfill	751,400	804,614
Individual ⁽²⁾	Residential	532,000	578,381
Kelley Properties LLC ⁽¹⁾	Storage units	549,800	570,093
Individual ⁽³⁾	Residential	519,600	556,398
Individual ⁽³⁾	Residential	519,300	556,077
Fall Creek Commons ⁽¹⁾	Apartment building	530,100	549,666
	TOTAL	<u>\$11,452,500</u>	<u>\$12,052,396</u>

⁽¹⁾Village of Fall Creek

⁽²⁾Town of Washington

⁽³⁾Town of Seymour

The above taxpayers represent 3.63% of the District's 2017 Equalized Value (TID IN) (\$331,569,498). The District's 2018 Equalized Valuation (TID IN) is \$337,537,040. 2018 taxpayer values are not yet available.

Source: Village of Fall Creek Clerk and the Towns of Washington and Seymour Clerks.

TAX LEVIES, RATES AND COLLECTIONS

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes, the District receives 100 percent of the real estate taxes it levies.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District.

Levy Year	Collection Year	District Tax Rate*	District Levy*	Uncollected Taxes as of August 20 th of Each Year	Percent of Levy Collected
2017	2018	\$10.16	\$3,279,293	-0-	100%
2016	2017	10.16	3,085,727	-0-	100
2015	2016	10.16	2,939,111	-0-	100
2014	2015	10.16	2,838,621	-0-	100
2013	2014	10.18	2,690,149	-0-	100

*The District's tax rate and levy figure for 2018/19 is not yet available.

Source: Wisconsin Department of Public Instruction.

2017-2018 Proportionate Amounts of Local Tax Revenue Per Municipality Based on 2017 Equalized Valuation

Municipality	2017 Equalized Valuation (TID OUT)	Percent of Levy	Amount of Levy*
City of Altoona	\$25,208	0.007812%	\$256
Town of Clear Creek	2,265,602	0.702123	23,025
Town of Lincoln	84,199,953	26.094062	855,701
Town of Ludington	48,653,485	15.078002	494,452
Town of Seymour	72,598,824	22.498804	737,802
Town of Washington	43,946,726	13.619349	446,618
Village of Fall Creek	70,988,800	21.999848	721,439
TOTAL	\$322,678,598	100.000000%	3,279,293

*The District's levy for 2018/19 is not yet available.

Source: The Wisconsin Department of Revenue.

EQUALIZED VALUATIONS

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2014 through 2018. The District's Equalized Valuation (TID IN) has increased by 20.16 percent since 2014 with an average annual increase of 4.70 percent.

Year	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2018	\$337,537,040	\$330,695,240
2017	331,569,498	322,678,598
2016	311,960,532	303,693,832
2015	290,701,502	289,168,302
2014	280,897,565	279,368,165

Source: The Wisconsin Department of Revenue.

Tax Increment Districts

The Village of Fall Creek and the City of Altoona have Tax Incremental Districts ("TIDs") created under Wisconsin Statutes Section 66.1105. TID valuations totaling \$6,841,800 have been excluded from the District's tax base for 2018.

Municipality	TID #	Creation Date	Base Value	2018 Value	2018 Increment
Village of Fall Creek	001	2000	\$72,800	\$1,502,900	\$1,430,100
Village of Fall Creek	002	2013	1,613,300	6,947,200	5,333,900
City of Altoona	004*	2008	26,300	104,100	77,800
TOTAL					<u>\$6,841,800</u>

*A portion of TID Number 004 is located in the School District of Altoona. The increment figure listed above reflects the portion applicable to the District.

Source: Wisconsin Department of Revenue.

INDEBTEDNESS OF THE DISTRICT

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the District including principal and interest payments due on existing debt, as well as debt service on the Notes. Interest on the Notes has been estimated using an average interest rate of 4.17 percent. The bond years on the Notes are 7,047.47 years and the average life is 2.93 years.

Year	Outstanding Debt		The Notes		Total Debt Service
	Principal	Interest	Principal*	Interest*	Requirements*
2019	\$850,000	\$489,185	\$370,000	\$56,405	\$1,765,590
2020	220,000	419,100	410,000	75,725	1,124,825
2021	225,000	414,375	335,000	61,944	1,036,319
2022	230,000	409,538	350,000	47,388	1,036,925
2023	235,000	404,306	365,000	32,194	1,036,500
2024	240,000	398,963	380,000	16,363	1,035,325
2025	450,000	387,825	195,000	4,144	1,036,969
2026	685,000	365,450	0	0	1,050,450
2027	705,000	341,458	0	0	1,046,458
2028	730,000	320,850	0	0	1,050,850
2029	755,000	298,116	0	0	1,053,116
2030	780,000	273,195	0	0	1,053,195
2031	810,000	247,078	0	0	1,057,078
2032	845,000	219,663	0	0	1,064,663
2033	880,000	190,225	0	0	1,070,225
2034	915,000	158,813	0	0	1,073,813
2035	960,000	126,000	0	0	1,086,000
2036	1,000,000	91,700	0	0	1,091,700
2037	1,040,000	56,000	0	0	1,096,000
2038	1,080,000	18,900	0	0	1,098,900
TOTAL	\$13,635,000	\$5,630,738	\$2,405,000	\$294,161	\$21,964,899

**Preliminary, subject to change.*

Other Financing

The District has borrowed for short-term cash flow purposes in the previous five years as follows:

Amount	Dated	Due
\$500,000*	October 4, 2016	November 1, 2017
700,000*	October 26, 2015	November 1, 2016
700,000	October 27, 2014	October 23, 2015
1,000,000	October 28, 2013	October 24, 2014
1,000,000	October 22, 2012	October 25, 2013

**Taxable Line of Credit.*

The District did not borrow for short-term cash flow purposes for the 2017-18 fiscal year and does not anticipate borrowing for such purposes for the 2018-19 fiscal year.

Future Financing

The District does not anticipate issuing additional general obligation debt in the next twelve months.

Default Record

The District has no record of default on any prior debt repayment obligations.

Overlapping and Underlying Indebtedness

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

<u>Name of Entity</u>	<u>Amount of Debt (Net of 2018 Principal Payments)</u>	<u>Percent Chargeable to District</u>	<u>Outstanding Debt Chargeable to District</u>
Chippewa Valley Technical College District	\$31,285,000	1.31%	\$409,834
Eau Claire County	75,406,361	3.86	2,910,686
City of Altoona	16,610,000	0.02	3,322
Village of Fall Creek	2,135,994	100.00	2,135,994
Total Towns	<u>385,818</u>	Varies	<u>59,152</u>
TOTAL	<u>\$125,823,173</u>		<u>\$5,518,987</u>

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org and the Wisconsin Department of Public Instruction and direct inquiries.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2018 principal payments.

Equalized Valuation (2018) as certified by Wisconsin Department of Revenue	\$337,537,040
Direct Bonded Indebtedness Including the Notes	\$16,040,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes	\$21,558,987
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	4.75%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	6.39%
Population of District (2016 Estimate)*	4,245
Direct Bonded Indebtedness Per Capita	\$3,778.56
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$5,078.68

*Source: U.S. Census Bureau.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed ten percent of the equalized value of property in the District. The table below reflects direct bonded indebtedness as of the date of the closing of the Notes, and is a comparison of the outstanding indebtedness of the District as a percentage of the applicable debt limit.

Equalized Valuation (2018) as certified by Wisconsin Department of Revenue	\$337,537,040
Legal Debt Percentage Allowed	<u>10.00%</u>
Legal Debt Limit	\$33,753,704
General Obligation Debt Outstanding Including the Notes	<u>\$16,040,000</u>
Unused Margin of Indebtedness	\$17,713,704
Percent of Legal Debt Incurred	47.52%
Percentage of Legal Debt Available	52.48%

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold an annual meeting thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each department, activity and reserve account of the District during the ensuing year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each school to their respective principals, who thereafter review and revise such requests and submit them, with their recommendations, to the Superintendent. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the annual meeting is held.

**GENERAL FUND SUMMARY
FOR YEARS ENDED JUNE 30**

	2018-19 BUDGET ⁽¹⁾	2017-18 UNAUDITED ⁽¹⁾	2016-17 ACTUAL ⁽¹⁾	2015-16 ACTUAL ⁽¹⁾	2014-15 ACTUAL ⁽¹⁾
Revenues					
Local Sources	\$2,505,620	\$2,510,175	\$2,459,899	\$2,564,724	\$2,423,537
Interdistrict Sources	1,031,834	908,054	759,364	797,190	669,389
Intermediate Sources	70,398	51,553	73,073	49,066	78,744
State Sources	6,105,093	5,953,238	5,878,069	5,800,234	5,904,032
Federal Sources	281,821	268,366	304,567	267,835	258,586
Other Sources	87,000	21,230	34,012	22,729	34,366
Total Revenues	10,081,766	9,712,617	9,508,984	9,501,778	9,368,654
Expenditures					
Instruction	5,591,887	5,358,341	5,820,235	5,675,024	5,826,510
Support Service	3,427,323	3,286,332	3,154,531	3,744,674	3,460,041
Non-Program	1,037,103	991,242	0	0	0
Total Expenditures	10,058,313	9,635,915	8,974,766	9,419,698	9,286,551
Excess of revenues over (under) expenditures	23,453	76,702	534,218	82,080	82,103
Other financing sources (uses)					
Operating Transfers In	481,314	452,472	0	0	0
Operating Transfers (Out)	(505,467)	(463,685)	(489,419)	(50,893)	(44,657)
Net other financing sources (uses)	(24,153)	(11,213)	(489,419)	(50,893)	(44,657)
Excess of Revenues and other sources over (under) expenditures and other uses	(700)	65,489	44,799	31,187	37,446
Fund balances - beginning of year	1,337,844	1,272,355	1,227,556	1,196,369	1,158,923
Fund balances - end of year	\$1,337,844	\$1,337,844	\$1,272,355	\$1,227,556	\$1,196,369

⁽¹⁾The figures reflect the District's adoption of Statement No. 54 of the Governmental Accounting Standards Board, which include what was previously separately identified as the special education fund within the general fund.

The amounts for the years ending June 30, 2015 through June 30, 2017 are excerpts from the audit reports which have been examined by Wipfli LLP, Certified Public Accountants, Eau Claire, Wisconsin (the "Auditor"). The amounts shown for the year ended June 30, 2018 are unaudited and the amounts shown for the year ending June 30, 2019 are shown on a budgetary basis, and such amounts have been provided by the District. The comparative statement of revenues, expenditures and encumbrances should be read in conjunction with the other financial statements and notes thereto appearing at Appendix A to this Official Statement.

Financial Statements

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2017, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor (defined herein), to the extent and for the periods indicated thereon. The District has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom _____ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover page of this Official Statement plus accrued interest from January 3, 2019, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

RATING

This issue has been assigned a "A+/Stable" rating by S&P Global Ratings, a division of S&P Global ("S&P"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

REVENUE LIMITS ON WISCONSIN SCHOOL DISTRICTS

The Wisconsin Statutes impose revenue limits on Wisconsin school districts, including the District. The Wisconsin Statutes previously allowed for some annual per pupil increases without voter approval, but the current Wisconsin Statutes prohibit any increase without voter approval. Under the current Wisconsin Statutes, school districts cannot increase their average revenues per pupil for the 2015-16 school year or any school year thereafter unless they seek voter approval at referendum. These provisions of the Wisconsin Statutes may change in the future.

The revenue limit is increased by funds needed for payment of debt service on general obligation debt authorized before the effective date of the revenue limit statutes (August 12, 1993) (the "Effective Date") and debt service on obligations issued to refund such debt. Debt authorized after the Effective Date is exempt from the revenue limits if approved at a referendum, as is debt service on obligations issued to refund such debt.

The Notes were approved at referendum. Accordingly, the payment of debt service on the Notes is not subject to the revenue limits.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Original Issue Discount

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Note over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Note for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Note upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts

received upon disposition of a Discounted Note that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Notes") will be considered to have bond premium.

Any Premium Note purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Note is calculated on a daily basis from the issue date of such Premium Note until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Note that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Note by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Note. The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

Owners of Premium Notes who did not purchase such Premium Notes in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Notes. Owners of Premium Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Notes.

DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District's fiscal year ends June 30th.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market.

Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access (“EMMA”) system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

In the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of

notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

Debby Brunett, an employee of Robert W. Baird & Co., Incorporated, is contracted on a part-time basis by the District as a Business Manager-Consultant.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

Quarles & Brady LLP has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Notes. Although, as Disclosure Counsel to the District, Quarles & Brady LLP has assisted the District with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the District and transactions other than the issuance of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities (including school districts such as the District) are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District Clerk has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

AUTHORIZATION

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its President and Clerk, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

SCHOOL DISTRICT OF FALL CREEK

By /s/

District Clerk

APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

SCHOOL DISTRICT OF FALL CREEK EAU CLAIRE COUNTY, WISCONSIN

For Year Ended June 30, 2017

**Wipfli LLP
Eau Claire, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2017, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

School District of Fall Creek

Fall Creek, Wisconsin

Financial Statements With Supplementary Financial Information

Year Ended June 30, 2017

School District of Fall Creek

Financial Statements With Supplementary Financial Information

Year Ended June 30, 2017

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School District of Fall Creek

Financial Statements With Supplementary Financial Information

Year Ended June 30, 2017

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Independent Auditor's Report

Board of Education
School District of Fall Creek
Fall Creek, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Fall Creek, (the "District"), as of and for the year ended June 30, 2017, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Fall Creek, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the budgetary comparison schedule – general fund and related notes, the schedules of the employer’s proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedule of changes in the employer’s net pension liability (asset) and related ratios – District pension plan, schedule of employer contributions – District pension plan, schedule of investment returns – District pension plan, schedule of changes in the employer’s net OPEB liability and related ratios – District OPEB plan, schedule of employer contributions – District OPEB plan, and schedule of investment returns – District OPEB plan on pages 52 through 64 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The fiduciary fund – schedule of changes in assets and liabilities (student organizations' agency fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, and are also not a required part of the financial statements. The fiduciary fund – schedule of changes in assets and liabilities (student organizations' agency fund) and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the fiduciary fund – schedule of changes in assets and liabilities (student organizations' agency fund) and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017, on our consideration of the School District of Fall Creek's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

/s/ Wipfli LLP

Wipfli LLP

November 27, 2017
Eau Claire, Wisconsin

Government-Wide Financial Statements

School District of Fall Creek

Statement of Net Position

June 30, 2017

<i>Assets and Deferred Outflows of Resources</i>	Governmental Activities
Current assets:	
Cash and investments	\$ 1,143,949
Receivables:	
Taxes	936,350
Accounts	492
Due from other governments	229,158
<hr/>	
Total current assets	2,309,949
<hr/>	
Noncurrent assets:	
Restricted net pension asset - District pension plan	203,151
Capital assets:	
Land	297,500
Land improvements	591,152
Buildings and building improvements	12,743,932
Furniture and equipment	2,963,379
Less - Accumulated depreciation	(8,029,520)
<hr/>	
Total capital assets	8,566,443
<hr/>	
Total noncurrent assets	8,769,594
<hr/>	
Total assets	11,079,543
<hr/>	
Deferred outflows of resources:	
Related to pensions - District pension plan	133,063
Related to pensions - WRS	1,828,588
<hr/>	
Total deferred outflows of resources	1,961,651
<hr/>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 13,041,194

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Governmental Activities
Liabilities:	
Current liabilities:	
Accrued liabilities:	
Payroll, payroll taxes, insurance	\$ 288,196
Interest	34,392
Current portion of long-term obligations	305,000
Total current liabilities	627,588
Noncurrent liabilities:	
Bonds payable	3,752,500
Net pension liability - WRS	254,955
Net OPEB liability - District OPEB plan	109,892
Accrued compensated absences	135,043
Total noncurrent liabilities	4,252,390
Total liabilities	4,879,978
Deferred inflows of resources:	
Related to pensions - WRS	803,138
Net position:	
Net investment in capital assets	4,508,943
Restricted for:	
Pension benefits	203,151
Debt service	314,352
Unrestricted	2,331,632
Total net position	7,358,078
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 13,041,194

See accompanying notes to financial statements.

School District of Fall Creek

Statement of Activities

Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ 4,634,270	\$ 780,269	\$ 191,380	\$ (3,662,621)
Vocational instruction	357,537	-	-	(357,537)
Special education instruction	734,258	39,448	339,440	(355,370)
Other instruction	531,832	31,389	-	(500,443)
Total instruction	6,257,897	851,106	530,820	(4,875,971)
Support services:				
Pupil services	278,557	-	-	(278,557)
Instructional staff services	282,153	-	28,753	(253,400)
General administration services	336,153	-	-	(336,153)
Building administration services	404,355	-	-	(404,355)
Business services	206,769	-	-	(206,769)
Operations and maintenance	804,049	-	-	(804,049)
Pupil transportation services	409,168	-	29,940	(379,228)
Food service	359,783	191,995	143,592	(24,196)
Central services	446,975	-	-	(446,975)
Insurance	123,130	-	-	(123,130)
Community service	795	1,160	-	365
Interest	115,645	-	-	(115,645)
Other support services	18,665	-	-	(18,665)
Unallocated depreciation, excluding direct	299,058	-	-	(299,058)
Total support services	4,085,255	193,155	202,285	(3,689,815)
Nonprogram instructional services				
Total governmental activities	10,343,152	1,044,261	733,105	(8,565,786)
Total governmental activities (carried forward)	\$ 10,343,152	\$ 1,044,261	\$ 733,105	(8,565,786)

School District of Fall Creek

Statement of Activities (Continued)

Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Total governmental activities (brought forward)				\$ (8,565,786)
General revenues:				
Property taxes:				
General purposes				2,384,660
Debt service				705,602
Payment in lieu of taxes				733
State and federal aids not restricted to specific functions:				
General				5,657,325
Other				5,366
Interest and investment earnings				2,792
Miscellaneous				94,884
Total general revenues				8,851,362
Change in net position				285,576
Net position - Beginning of year, as restated				7,072,502
Net position - End of year				\$ 7,358,078

Fund Financial Statements

School District of Fall Creek

Governmental Funds – Balance Sheet

June 30, 2017

<i>Assets</i>	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 687,734	\$ 348,744	\$ 40,385	\$ 67,086	\$ 1,143,949
Receivables:					
Taxes	936,350	-	-	-	936,350
Accounts	30	-	-	-	30
Due from other governments	228,586	-	-	572	229,158
Due from other funds	462	-	300,000	-	300,462
TOTAL ASSETS	\$ 1,853,162	\$ 348,744	\$ 340,385	\$ 67,658	\$ 2,609,949
<i>Liabilities and Fund Balances</i>					
Liabilities:					
Accrued liabilities:					
Payroll, payroll taxes, insurance	280,807	-	-	7,389	288,196
Due to other funds	300,000	-	-	-	300,000
Total liabilities	580,807	-	-	7,389	588,196
Fund balances:					
Restricted:					
Donor-approved expenditures	-	-	-	60,269	60,269
Debt service	-	348,744	-	-	348,744
Capital projects	-	-	340,385	-	340,385
Assigned:					
Community service	8,164	-	-	-	8,164
Unassigned	1,264,191	-	-	-	1,264,191
Total fund balances	1,272,355	348,744	340,385	60,269	2,021,753
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,853,162	\$ 348,744	\$ 340,385	\$ 67,658	\$ 2,609,949

School District of Fall Creek

Governmental Funds – Balance Sheet (Continued)

June 30, 2017

Total fund balances - Governmental funds (from previous page) \$ 2,021,753

Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental fund balances because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 16,595,963	
Governmental accumulated depreciation	(8,029,520)	8,566,443

The net pension asset (liability), the net OPEB asset (liability), and the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position:

Net pension asset - District pension plan	203,151	
Net pension liability - WRS	(254,955)	
Net OPEB liability - District OPEB plan	(109,892)	
Deferred inflows of resources related to pensions - WRS	(803,138)	
Deferred outflows of resources related to pensions - WRS	1,828,588	
Deferred outflows of resources related to pensions - District pension plan	133,063	996,817

Unpaid compensated absences are a liability of the governmental funds only if the employee has resigned or retired. (135,043)

Noncurrent liabilities, including bonds and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	(4,057,500)	
Accrued interest on long-term debt	(34,392)	(4,091,892)

Total net position - Governmental activities **\$ 7,358,078**

School District of Fall Creek

Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local	\$ 2,459,899	\$ 705,878	\$ 155	\$ 270,116	\$ 3,436,048
Interdistrict	759,364	-	-	-	759,364
Intermediate	73,073	-	-	-	73,073
State	5,878,069	-	-	5,613	5,883,682
Federal	304,567	-	-	137,979	442,546
Other	34,012	-	-	-	34,012
Total revenues	9,508,984	705,878	155	413,708	10,628,725
Expenditures:					
Instruction:					
Regular instruction	4,328,157	-	-	18,250	4,346,407
Vocational instruction	339,897	-	-	-	339,897
Special instruction	692,354	-	-	-	692,354
Other instruction	459,827	-	-	50,988	510,815
Total instruction	5,820,235	-	-	69,238	5,889,473
Support services:					
Pupil services	267,294	-	-	-	267,294
Instructional staff services	270,586	-	-	-	270,586
General administration services	322,382	-	-	-	322,382
Building administration services	385,215	-	-	-	385,215
Business services	204,013	-	-	-	204,013
Operations and maintenance	891,302	-	-	-	891,302
Pupil transportation	330,319	-	-	-	330,319
Food service	-	-	-	352,603	352,603
Central services	340,455	-	-	-	340,455
Insurance	123,130	-	-	-	123,130
Debt service:					
Principal	-	555,000	-	-	555,000
Interest	399	129,696	-	-	130,095
Debt issuance costs	-	1,121	-	-	1,121
Other support services	18,665	-	-	-	18,665
Community services	771	-	-	-	771
Total support services	3,154,531	685,817	-	352,603	4,192,951
Total expenditures	8,974,766	685,817	-	421,841	10,082,424
Excess (deficiency) of revenues over expenditures	534,218	20,061	155	(8,133)	546,301

School District of Fall Creek

Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Year Ended June 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Other financing sources:					
Transfers in	\$ -	\$ 172,403	\$ 300,000	\$ 17,016	\$ 489,419
Transfers out	(489,419)	-	-	-	(489,419)
Net other financing sources (uses)	(489,419)	172,403	300,000	17,016	-
Net change in fund balances	44,799	192,464	300,155	8,883	546,301
Fund balances - Beginning of year	1,227,556	156,280	40,230	51,386	1,475,452
Fund balances - End of year	\$ 1,272,355	\$ 348,744	\$ 340,385	\$ 60,269	\$ 2,021,753

School District of Fall Creek

Governmental Funds – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2017

Total net change in fund balances - Governmental funds (from previous page)	\$	546,301
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Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlays reported in governmental fund statements	\$	171,682
Depreciation expense reported in the statement of activities		(584,949)

Amount by which capital outlays are less than depreciation in the current year		(413,267)
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Unpaid compensated absences are a liability of the governmental funds only if the employee has resigned or retired.

Amount by which the liability for compensated absences changed in the current year.		145
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Postemployment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Change in net OPEB liability - District OPEB plan		(8,249)
Change in net pension asset - District pension plan		(137,196)
Change in net pension asset (liability) - WRS		255,490
Change in deferred outflows of resources related to pensions - WRS		(882,620)
Change in deferred outflows of resources related to pensions - District pension plan		86,781
Change in deferred inflows of resources related to pensions - WRS		276,036

Amounts earned are greater than amounts paid		(409,758)
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year		555,000
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School District of Fall Creek

Governmental Funds –Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities (Continued)

Year Ended June 30, 2017

Total net change in fund balances - Governmental funds (Continued)

The District disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of net position as a net loss. There is no effect on the governmental funds balance sheet.

The value of capital assets disposed of during the year	\$ (435,325)
The amount of depreciation recapture for the year	426,908

The difference in the value of assets, net of recaptured depreciation, creates a loss of:	\$ (8,417)
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Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The net effect of these differences in the current year	7,500
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In governmental funds, interest payments on long-term debt are reported as an expenditure when due. In the statement of activities, interest is reported as incurred.

The amount of interest paid during the current year	129,696
The amount of interest accrued during the current year	(121,624)

Interest paid is greater than interest accrued	8,072
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Change in net position - Governmental activities	\$ 285,576
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School District of Fall Creek

Fiduciary Funds – Statement of Net Position

June 30, 2017

	Employee Benefit Trust-OPEB	Employee Benefit Trust-Pension	Agency Fund
Assets:			
Cash and investments	\$ 75,526	\$ 1,142,288	\$ 33,637
Total assets	\$ 75,526	\$ 1,142,288	\$ 33,637
Liabilities:			
Due to other funds	\$ -	\$ -	\$ 462
Due to elementary school organizations	-	-	6,969
Due to middle school organizations	-	-	2,119
Due to high school organizations	-	-	18,280
Due to parent organizations	-	-	5,807
Total liabilities	-	-	\$ 33,637
Net position:			
Restricted for pensions	-	1,142,288	
Restricted for OPEB	75,526	-	
Total net position	75,526	1,142,288	
TOTAL LIABILITIES AND NET POSITION	\$ 75,526	\$ 1,142,288	

School District of Fall Creek

Fiduciary Funds – Statement of Changes in Net Position

Year Ended June 30, 2017

	Employee Benefit Trust-OPEB	Employee Benefit Trust-Pension
Additions:		
Retiree contributions	2,514	-
Interest	3,519	19,942
Total additions	6,033	19,942
Deductions:		
Postemployment benefits	108,405	164,271
Total deductions	108,405	164,271
Change in net position	(102,372)	(144,329)
Net position - Beginning of year	177,898	1,286,617
Net position - End of year	\$ 75,526	\$ 1,142,288

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Introduction

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

Reporting Entity

The School District of Fall Creek is organized as a common school district. The District, governed by a five-member elected school board, operates grades 4K through 12 and is comprised of all or part of seven taxing districts.

This report includes all of the funds of the School District of Fall Creek. The reporting entity for the District consists 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statements No. 74 and No. 75 replaces the requirements of GASB Statements No. 43 and No. 45 on accounting and financial reporting by employers for postemployment benefits other than pensions. See Note 13 for the restatement of beginning net position.

Basis of Presentation

Government-Wide Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level.

The statement of net position and the statement of activities present financial information about the District's governmental activities. 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.

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 for 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.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Basis of Presentation (Continued)

Government-Wide Statements: (Continued)

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

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 other governmental funds.

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities as well as programs provided to the community as a whole.
- Capital Projects Fund – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund – This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Basis of Presentation (Continued)

Fund Financial Statements: (Continued)

The District reports the following nonmajor governmental funds:

- Food Service Fund – Used to account for financial resources that are restricted to expenditure in the District’s breakfast and lunch program.
- Donations Fund – Used to account for gifts and donations that have been restricted by private parties for specific purposes.

The District accounts for assets held as an agent for various student and parent organizations in an agency fund and resources legally held in trust for the District’s pension and other postemployment benefits in an employee benefit trust fund.

Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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.

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 they become both measurable and available (susceptible to accrual). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Measurement Focus and Basis of Accounting (Continued)

Expenditures are recognized 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.

Use of Estimates

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

Deposits and Investments

The District's cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool.

The Debt Service and Capital Projects Funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust and Agency Funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Deposits and Investments (Continued)

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, 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 obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

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 laws applicable to trust investments.

Funds held in the Employee Benefit Trust Fund to provide for pension and other postemployment benefits may be invested in any kind of property or type of investment consistent with the prudent investor rule set forth in WI Stat. 881.01. This rule requires the trustee of an Employee Benefit Trust Fund to exercise reasonable care, skill, and caution when investing and managing the assets of the trust.

All investments are stated at fair market value except for investment in the local government investment pool and the AUL contract, which are valued at amortized cost.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Receivables and Payables

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Prepaid Items

Prepaid items represent payments made by the District for which benefits extend beyond June 30.

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the assets' lives is not capitalized.

Capital assets not being depreciated include land.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset) for the WRS plan. In addition, the District reports a deferred outflow of resources related to the District's pension plan for the differences between expected and actual experience, changes of assumptions, and the net difference between the projected and actual earnings on the pension plan's investments.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to a maximum vested amount of 110 days. Upon retirement, employees are entitled to payment of up to \$30 per day of unused sick leave if they have a minimum of 10 years of service in the District. Consistent with the compensated absences reporting standards of GASB Statement No. 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end.

Postemployment Benefits – As provided in applicable negotiated contracts and employee handbooks, certified District employees meeting a minimum age and length of service requirement may participate in the District's group health insurance and stipend program.

District Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB plan and additions to/deductions from District fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at cost.

District Pension Plans – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District defined benefit pension plan and additions to/deductions from the District defined benefit pension plan's fiduciary net position have been determined on the same basis as they are reported by the District defined benefit pension plan. 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 cost.

For purposes of measuring the net pension liability, 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 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.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Fund Balances (Continued)

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education and finance manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Property Tax Levy

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. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

School District of Fall Creek

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Property Tax Levy (Continued)

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2016 tax levy is used to finance operations of the District's fiscal year ended June 30, 2017. All property taxes are considered due on January 1, 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 30 and are available to pay current liabilities.

Subsequent Events

Subsequent events have been evaluated through November 27, 2017, which is the date the financial statements were available to be issued.

Note 2 **Stewardship and Accountability**

Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

Note 3 **Cash and Investments**

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2017, the District's bank balance of \$130,003 was exposed to custodial credit risk as uninsured and collateral held by the pledging financial institution.

School District of Fall Creek

Notes to Financial Statements

Note 3 Cash and Investments (Continued)

Investments

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool (LGIP). The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. More than 5% of the District's investments are in annuity contracts with American United Life Insurance Company. This investment is 98.6% of the District's total investments. The investments with American United Life Insurance Company also represent 100% of the total investments reported in the Employee Benefit Trust Fund.

The District's cash and investment balances at June 30, 2017, were as follows:

	Maturity	
Local Government Investment Pool Fund	29-day average	\$ 16,876
AUL Annuity Contract		1,217,814
<hr/>		
Total investments		1,234,690
Net cash deposits with financial institutions carrying amount		1,160,710
Less - Cash and investments held by fiduciary funds		(1,251,451)
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Cash and investments reported on statement of net position		\$ 1,143,949
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School District of Fall Creek

Notes to Financial Statements

Note 3 Cash and Investments (Continued)

Investments (Continued)

The District is a participant in the Local Government Investment Pool (LGIP), which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

Note 4 Short-Term Notes Payable

The District issues revenue anticipation notes in advance of tax collections and receipt of federal and state aids. These notes are necessary to allow the school to pay its operating expenditures.

Short-term notes payable activity for the year ended June 30, 2017, was as follows:

Description	Balance		Balance	
	07/01/16	Issued	Redeemed	06/30/17
3.0% Revenue Anticipation Notes	\$ -	\$ 5,800	\$ 5,800	\$ -
Prime minus 0.25%, not to exceed				
5.0% Revenue Anticipation Notes	-	494,500	494,500	-
Total	\$ -	\$ 500,300	\$ 500,300	\$ -

Interest on short-term notes for the year totaled \$399.

School District of Fall Creek

Notes to Financial Statements

Note 5 Interfund Balances and Activity

Interfund receivable and payable balances in the fund statements on June 30, 2017, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Agency Fund	\$ 462
Capital Projects Fund	General Fund	<u>300,000</u>
		<u><u>\$ 300,462</u></u>

The purpose for the interfund receivable and payable balances between the General Fund and the Capital Projects Fund is to provide funding for future capital projects.

In the statement of net position, amounts reporting in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

Interfund transfers at June 30, 2017, were as follows:

<u>Transfer from:</u>	<u>Transfer to:</u>			<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	
General Fund	\$ 300,000	\$ 172,403	\$ 17,016	<u>\$ 489,419</u>

The purpose for the interfund transfer to the capital projects fund was to provide funding for a long-term capital improvement trust fund. The purpose for the interfund transfer to the food service fund was to eliminate negative fund balance at year-end. The purpose for the interfund transfer to the debt service fund was to eliminate a deficit fund balance.

School District of Fall Creek

Notes to Financial Statements

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2017, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 297,500	\$ -	\$ -	\$ 297,500
Total capital assets not being depreciated	297,500	-	-	297,500
Capital assets being depreciated:				
Land improvements	755,005	50,822	(214,675)	591,152
Buildings and building improvements	12,642,701	101,231	-	12,743,932
Furniture and equipment	3,164,400	19,629	(220,650)	2,963,379
Total capital assets being depreciated	16,562,106	171,682	(435,325)	16,298,463
Less accumulated depreciation for:				
Land improvements	(475,332)	(17,434)	214,675	(278,091)
Buildings and building improvements	(5,238,063)	(323,336)	-	(5,561,399)
Furniture and equipment	(2,158,084)	(244,179)	212,233	(2,190,030)
Total accumulated depreciation	(7,871,479)	(584,949)	426,908	(8,029,520)
Total capital assets being depreciated - Net of accumulated depreciation	8,690,627	(413,267)	(8,417)	8,268,943
Governmental activities capital assets - Net	\$ 8,988,127	\$ (413,267)	\$ (8,417)	\$ 8,566,443

School District of Fall Creek

Notes to Financial Statements

Note 6 **Capital Assets** (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$	35,318
Vocational instruction		274
Special instruction		2,980
Other instruction		5,502
Instructional staff services		306
General administration services		643
Building administrative services		498
Operations and maintenance of plant		63,120
Pupil transportation services		69,906
Food service		268
Central services		107,076
Depreciation not charged to a specific function		299,058
		584,949
Total depreciation for governmental activities	\$	584,949

School District of Fall Creek

Notes to Financial Statements

Note 7 Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/16	Additions	Reductions	Balance 06/30/17	Amounts Due Within One Year
Taxable GO Refunding Bonds	\$ 260,000	\$ -	\$ 260,000	\$ -	\$ -
GO School Improvement Bonds	4,240,000	-	295,000	3,945,000	305,000
Premium on School Improvement Bonds	120,000	-	7,500	112,500	-
Subtotals	4,620,000	-	562,500	4,057,500	305,000
Accrued compensated absences	135,188	38,730	38,875	135,043	-
Totals	\$ 4,755,188	\$ 38,730	\$ 601,375	\$ 4,192,543	\$ 305,000

Payments on bonds and notes are made by the Debt Service Fund. Vested employee benefits will be liquidated by several of the governmental funds.

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2017, is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates %	Dates of Maturity	Balance 06/30/17
GO School Improvement Bonds	09/10/12	2.00-3.00	03/01/32	3,945,000
Total general obligation debt				\$ 3,945,000

School District of Fall Creek

Notes to Financial Statements

Note 7 Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The 2016 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$311,960,532. The legal debt limit and margin of indebtedness as of June 30, 2017, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, follow:

Legal debt limit (10% of \$311,960,532)		\$ 31,196,053
Deduct:		
Long-term debt applicable to debt margin	\$ 3,945,000	
Add:		
Debt service fund assets available	348,744	3,596,256
		<hr/>
Margin of indebtedness		\$ 27,599,797
		<hr/>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2017, follows:

Governmental Activities

Year ended June 30,	Principal	Interest	Totals
	<hr/>	<hr/>	<hr/>
2018	\$ 305,000	\$ 113,813	\$ 418,813
2019	315,000	99,640	414,640
2020	220,000	84,575	304,575
2021	225,000	79,625	304,625
2022	230,000	75,125	305,125
2023-2027	1,240,000	294,277	1,534,277
2028-2032	1,410,000	125,441	1,535,441
			<hr/>
Totals	\$ 3,945,000	\$ 872,496	\$ 4,817,496
			<hr/>

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System

Plan Description

The Wisconsin Retirement System (“WRS”) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours 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 online at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

Benefits Provided (Continued)

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10.0%
2008	6.6%	0.0%
2009	(2.1%)	(42.0%)
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%)

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (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. Starting on January 1, 2016, the executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$289,481 in contributions from the employer.

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

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

At June 30, 2017, the District reported a liability of \$254,955 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the District's proportion was 0.03093218%, which was a decrease of 0.0004802% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$652,362.

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

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

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,215	\$ (801,811)
Changes in assumptions	266,565	-
Net differences between projected and actual earnings on pension plan investments	1,269,085	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,317	(1,327)
Employer contributions subsequent to the measurement date	187,406	-
Total	\$ 1,828,588	\$ (803,138)

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

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

\$187,406 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 339,677
2019	339,677
2020	232,583
2021	(74,420)
2022	527

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2015
Measurement date of net pension liability (asset)	December 31, 2016
Actuarial cost method	Entry Age
Asset valuation method	Fair market value
Long-term expected rate of return	7.2%
Discount rate	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

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

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

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

	Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of	Long-Term Expected Real Rate of
<u>Core Fund Asset Class</u>				
Global equities	50.0%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8.0%	7%	6.5%	3.6%
Private equity/debt	8.0%	7%	9.4%	6.5%
Multi-asset	4.0%	4%	6.6%	3.7%
Total core fund	110.0%	120.0%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. equities	70%	70%	7.6%	4.7%
International equities	30%	30%	8.5%	5.6%
Total variable fund	100.0%	100%	7.9%	5.0%

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

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

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Single Discount Rate: A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 3,354,097	\$ 254,955	\$ (2,131,524)

School District of Fall Creek

Notes to Financial Statements

Note 8 Employee Retirement Plan(s) – Wisconsin Retirement System (Continued)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2017, the District reported a payable of \$132,443 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

Note 9 District Pension Plan and Benefits

The School District of Fall Creek administers a single-employer defined benefit plan that provides pension benefits to eligible retirees as established by District policy. The School District Board manages the pension plan and has appointed the District Bookkeeper as trustee and Mid America Bank as investment manager. There are 19 active plan members and 12 inactive plan members currently receiving benefits.

The School Board has the authority to establish and amend the types of benefits provided through the pension plan. The School District of Fall Creek provides an early retirement stipend to support staff with 20 consecutive years of service and who elect to retire beginning at age 62. The benefit is also available to teachers and administrators who were hired prior to July 1, 2007, who had not opted out to collect the prefunded early retirement benefit and were at least 50 years of age and employed on June 30, 2012. The stipend shall be paid monthly from the time of retirement until the recipient becomes Medicare eligible. The amount of the stipend shall be set at retirement. Support staff receives \$600 per month less elected health and/or dental premiums. At the age of 57, teachers and administrators receive a monthly stipend equal to the lesser of the health insurance premium at the time of retirement, or \$1,583, less elected health and/or dental premiums. This benefit is prorated for eligible teachers and administrators retiring between the ages of 55 and 56. The School Board determines the amount contributed to the trust and did not make a contribution in 2017. The plan does not issue a standalone report.

School District of Fall Creek

Notes to Financial Statements

Note 9 District Pension Plan and Benefits (Continued)

The pension plan investment policies and investment disclosures are discussed in Note 1 and Note 3. For June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.7 percent. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net pension asset of the District at June 30, 2017, were as follows:

Total pension liability	\$ 939,137
Plan fiduciary net position	1,142,288
<hr/>	
Net pension asset	\$ (203,151)

The net pension asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The actuarial assumptions included an inflation rate of 2.5 percent and projected salary increases of 3 percent, average, including inflation. The investment rate of return was 3 percent, net of pension plan investment expense, including inflation. Mortality, disability, and retirement rates are based on an experience study conducted in 2012 using Wisconsin Retirement System experience from 2009-2011.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, (see discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
AUL annuity contracts	3.0%

School District of Fall Creek

Notes to Financial Statements

Note 9 District Pension Plan and Benefits (Continued)

The discount rate used to measure the total pension liability was 3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability (asset) for the year ended June 30, 2017, are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 946,270	\$ 1,286,617	\$ (340,347)
Changes for the year:			
Service cost	15,362	-	15,362
Interest	26,154	-	26,154
Differences between expected and actual experience	88,407	-	88,407
Net investment income	-	19,942	(19,942)
Benefit payments, including refunds of employee contributions	(164,271)	(164,271)	-
Changes of assumptions or other input	27,215	-	27,215
Net changes	(7,133)	(144,329)	137,196
Balances at June 30, 2017	\$ 939,137	\$ 1,142,288	\$ (203,151)

School District of Fall Creek

Notes to Financial Statements

Note 9 District Pension Plan and Benefits (Continued)

The following presents the net pension asset of the District, calculated using the discount rate of 3 percent, as well as what the District's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2 percent) or 1-percentage-point higher (4 percent) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
District's net pension asset	\$ (182,982)	\$ (203,151)	\$ (222,707)

For the year ended June 30, 2017, the District recognized pension expense of \$50,416. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 66,305
Changes of assumptions	20,411
Net difference between projected and actual earnings on pension plan investments	46,347
Total	\$ 133,063

School District of Fall Creek

Notes to Financial Statements

Note 9 District Pension Plan and Benefits (Continued)

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

Year ended June 30:

2018	\$	45,034
2019		45,036
2020		39,753
2021		3,240
2022		-
Thereafter		-

Note 10 District OPEB Plan and Benefits

The School District of Fall Creek administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees as established by District policy. The School District Board manages the OPEB plan and has appointed the District Bookkeeper as trustee and MidAmerica Administrative and Retirement Solutions, Inc. as investment manager. There are 109 active plan members, 12 inactive plan members currently receiving benefits, and no inactive plan members entitled to but not yet receiving benefits.

The School Board has the authority to establish and amend the types of benefits provided through the OPEB plan. The plan provides funds for medical benefits to eligible retirees and their families through the District's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive funds for medical benefits for up to 10 years or until they are eligible for Medicare. The School Board determines the amount contributed to the trust. Currently the contribution equals the amount needed to pay current benefits. The plan does not issue a standalone report.

School District of Fall Creek

Notes to Financial Statements

Note 10 District OPEB Plan and Benefits (Continued)

The OPEB plan investment policies and investment disclosures are discussed in Note 1 and Note 3. Currently the plan is invested in AUL annuity contracts. For June 30, 2017, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 1.7 percent. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the District at June 30, 2017, is as follows:

Total OPEB liability	\$ 185,418
Plan fiduciary net position	<u>75,526</u>
Net OPEB liability	<u><u>109,892</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.7%

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The actuarial assumptions included an inflation rate of 2.5 percent and projected salary increases of 3.0 percent, average, including inflation. The investment rate of return was 3.0 percent, net of OPEB plan investment expense, including inflation. The medical care trend at a rate of 7.5 percent decreasing by .5 percent per year down to 6.5 percent, then by .1% per year down to 5.0 percent and level thereafter. Actuarial assumptions are based upon an experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011.

School District of Fall Creek

Notes to Financial Statements

Note 10 District OPEB Plan and Benefits (Continued)

The long-term expected rate of return on OPEB 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017, (see discussion of the OPEB plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
AUL annuity contracts	3.0%

The discount rate used to measure the total OPEB liability was 3.0 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

School District of Fall Creek

Notes to Financial Statements

Note 10 District OPEB Plan and Benefits (Continued)

Changes in the Net OPEB Liability for the year ended June 30, 2017, are as follows:

Changes in Net OPEB Liability Year Ended June 30, 2017	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 279,541	\$ 177,898	\$ 101,643
Changes for the year:			
Service cost	4,897	-	4,897
Interest	6,871	-	6,871
Net investment income	-	3,519	(3,519)
Benefit payments, including refunds of employee contributions	(105,891)	(108,405)	2,514
Retiree contributions	-	2,514	(2,514)
Net changes	(94,123)	(102,372)	8,249
Balances at June 30, 2017	\$ 185,418	\$ 75,526	\$ 109,892

The following presents the net OPEB liability of the District, calculated using the discount rate of 3.0 percent, 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 (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current rate:

	1% Decrease (2.0%)	Current Discount Rate (3.0%)	1% Increase (4.0%)
District's net OPEB liability (asset)	\$ 118,524	\$ 109,892	\$ 101,535

School District of Fall Creek

Notes to Financial Statements

Note 10 District OPEB Plan and Benefits (Continued)

The following presents the District's OPEB liability (asset) calculated using the healthcare cost trend rate of 7.5% decreasing to 5%, as well as what the District's OPEB liability (asset) would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower (6.5% decreasing to 4.0%) or 1 percentage point higher (8.5% decreasing to 6.0%) than the current rate:

	1% Decrease (6.5% decreasing to 4.0%)	Current (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Net OPEB liability (asset)	\$ 98,219	\$ 109,892	\$ 122,557

For the year ended June 30, 2017, the District recognized OPEB expense of \$10,763.

Note 11 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; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2017.

Note 12 Jointly Governed Organization

The District is served by Cooperative Education Service Agency No. 10 (CESA). CESA is a regional service entity organized to serve the educational needs of 29 school districts in all or parts of Barron, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Jackson, Marathon, Price, Rusk, Sawyer, Taylor, and Trempealeau Counties. CESA is governed by an 11-member board of control elected from a delegate assembly, which consists of one school board member from each of the school districts in the CESA region, with special provisions made for areas served by union high/K-8 districts. Participating school districts have neither an ongoing financial interest nor responsibility. The District purchased \$85,461 of education services during the fiscal year. At June 30, 2017, due to/from other governments included \$35,562 from CESA.

School District of Fall Creek

Notes to Financial Statements

Note 13 Prior Year Statement

As a result of the implementation of GASB Statement No. 74 and No. 75, the governmental activities beginning net position was restated as follows:

	<u>Governmental Activities</u>
Balance at July 1, 2016, as previously reported	\$ 7,450,364
Subtract previously reported net OPEB asset	(276,219)
Subtract beginning net OPEB liability	<u>(101,643)</u>
Balance at July 1, 2016, as restated	<u>\$ 7,072,502</u>

Required Supplementary Information

School District of Fall Creek

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	\$ 2,506,125	\$ 2,506,125	\$ 2,458,404	\$ (47,721)
Interdistrict	703,009	703,009	720,251	17,242
Intermediate	16,000	16,000	29,598	13,598
State	5,720,706	5,720,706	5,717,098	(3,608)
Federal	129,388	129,388	129,269	(119)
Other	21,000	21,000	34,012	13,012
Total revenues	9,096,228	9,096,228	9,088,632	(7,596)
Expenditures:				
Instruction:				
Regular instruction	4,465,673	4,333,849	4,328,157	5,692
Vocational instruction	341,470	341,470	339,897	1,573
Special instruction	43,640	43,640	40,746	2,894
Other instruction	478,843	463,343	459,827	3,516
Total instruction	5,329,626	5,182,302	5,168,627	13,675
Support services:				
Pupil services	155,948	155,948	155,375	573
Instructional staff services	281,909	237,472	223,430	14,042
General administration services	339,894	322,645	322,382	263
Building administration services	463,077	385,402	385,215	187
Business services	218,196	204,447	204,013	434
Operations and maintenance	993,144	894,366	891,302	3,064
Pupil transportation	338,801	329,926	329,044	882
Central services	347,695	347,695	340,455	7,240
Insurance	130,299	130,299	123,130	7,169
Debt service:				
Interest	1,000	1,000	399	601
Other support services	2,572	2,572	1,993	579
Total support services	3,272,535	3,011,772	2,976,738	35,034
Total expenditures	8,602,161	8,194,074	8,145,365	48,709

School District of Fall Creek

Budgetary Comparison Schedule – General Fund (Continued)

Year Ended June 30, 2017

	Budgeted Amounts		Actual on Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over expenditures	\$ 494,067	\$ 902,154	\$ 943,267	\$ 41,113
Other financing sources (uses):				
Transfers in				
Transfers out	(494,067)	(902,154)	(898,857)	3,297
Net other financing uses	(494,067)	(902,154)	(898,857)	3,297
Net change in fund balances	-	-	44,410	44,410
Fund balances - Beginning of year	1,219,781	1,219,781	1,219,781	-
Fund balances - End of year	\$ 1,219,781	\$ 1,219,781	\$ 1,264,191	\$ 44,410

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedule – General Fund.

School District of Fall Creek

Notes to Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2017

Note 1 **Budgetary Information**

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 (DPI).

The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the general fund and at the function 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 a 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 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. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

School District of Fall Creek

Notes to Budgetary Comparison Schedule – General Fund (Continued)

Year Ended June 30, 2017

Note 2 Budgetary Comparisons

GAAP requires a budgetary comparison for the general fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The “original budget” represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The “final budget” is the “original budget” adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The “actual on a budgetary basis” excludes the revenues, expenditures, and other financing sources/(uses) of the special education fund and community service fund, which are treated as special revenue funds for budgetary purposes. The following schedule reconciles the “budgetary basis” revenues and expenditures of the *budgetary comparison schedule – general fund* to the *governmental funds – statement of revenues, expenditures, and changes in fund balances*.

	General Fund Actual on Budgetary Basis	Special Education Fund	Community Service Fund	General Fund Actual on GAAP Basis
Revenues	\$ 9,088,632	\$ 419,192	\$ 1,160	\$ 9,508,984
Expenditures	(8,145,365)	(828,630)	(771)	(8,974,766)
Other financing sources (uses)	(898,857)	409,438	-	(489,419)
Net change in fund balance	\$ 44,410	\$ -	\$ 389	\$ 44,799

School District of Fall Creek

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions – Wisconsin Retirement System

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM (WRS)

Last Three Fiscal Years

	2017	2016	2015
Measurement date	12/31/16	12/31/15	12/31/14
District's proportion of the net pension liability (asset)	0.03093218%	0.03141238%	0.03160067%
District's proportionate share of the net pension liability (asset)	\$ 254,955	\$ 510,445	\$ (776,199)
District's covered-employee payroll during the measurement period	\$ 4,386,086	\$ 4,389,280	\$ 4,414,991
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.81%	11.63%	(17.58%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.12%	98.20%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM (WRS)

Last Three Fiscal Years

	2017	2016	2015
Contractually required contribution for the fiscal period	\$ 301,269	\$ 289,357	\$ 305,990
Contributions in relation to the contractually required contribution	(301,269)	(289,357)	(305,990)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll for the fiscal period	\$ 4,481,163	\$ 4,333,506	\$ 4,448,899
Contributions as a percentage of covered-employee payroll	6.72%	6.68%	6.88%

Notes to the Schedules

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

Changes of assumptions. There were no changes in the assumptions.

School District of Fall Creek

Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios – District Pension Plan

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

	2017	2016	2015
Measurement date:	6/30/17	6/30/16	6/30/15
Total pension liability:			
Service cost	\$ 15,362	\$ 22,322	\$ 22,322
Interest	26,154	49,155	55,330
Differences between expected and actual experience	88,407	-	-
Changes of assumptions	27,215	-	-
Benefit payments, including refunds of member contributions	(164,271)	(194,291)	(208,022)
Net change in total pension liability	(7,133)	(122,814)	(130,370)
Total pension liability - Beginning	946,270	1,069,084	1,199,454
Total pension liability - Ending (a)	\$ 939,137	\$ 946,270	\$ 1,069,084
Plan fiduciary net position:			
Contributions - Employer	\$ -	\$ 479,513	\$ 344,311
Net investment income	19,942	18,230	18,437
Benefit payments, including refunds of employee contributions	(164,271)	(194,291)	(208,022)
Net change in plan fiduciary net position	(144,329)	303,452	154,726
Plan fiduciary net position - Beginning	1,286,617	983,165	828,439
Plan fiduciary net position - Ending (b)	\$ 1,142,288	\$ 1,286,617	\$ 983,165
District's net pension liability (asset) - Ending (a) - (b)	\$ (203,151)	\$ (340,347)	\$ 85,919

School District of Fall Creek

Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios – District Pension Plan (Continued)

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	121.63%	135.97%	91.96%
Covered-employee payroll	\$ 677,305	\$ 896,838	\$ 1,116,397
District's net pension liability as a percentage of covered-employee payroll	(29.99%)	(37.95%)	7.70%

Notes to Schedule:

Benefit changes: None

Changes of assumptions:

Actuarial cost method - changed from Projected Unit Credit to Entry Age Normal in the 2016 study

Amortization method - changed from 3 year level dollar to 30 year level dollar in the 2016 study

Remaining amortization period - changed from 3 years to 30 years in the 2016 study

Inflation - changed from 3.0% to 2.5% in the 2016 study

Investment rate of return - changed from 5% to 3%, net of pension plan investment expense, in the 2016 study

School District of Fall Creek

Schedule of Employer Contributions – District Pension Plan

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

	2017	2016	2015
Actuarially determined contribution	\$ 4,186	\$ 177,727	\$ 177,727
Contributions in relation to the actuarially determined contribution	-	479,513	344,311
Contribution deficiency (excess)	\$ 4,186	\$ (301,786)	\$ (166,584)
Covered-employee payroll	\$ 677,305	\$ 896,838	\$ 1,116,397
Contributions as a percentage of covered-employee payroll	0.00%	53.47%	30.84%

School District of Fall Creek

Schedule of Employer Contributions – District Pension Plan (Continued)

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

Notes to Schedule:

Valuation dates: July 1, 2014, and June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method Changed from Projected Unit Credit to Entry Age Normal in the 2016 study

Amortization method Changed from 3 year level dollar to 30 year level dollar in the 2016 study

Remaining amortization period Changed from 3 years to 30 years in the 2016 study

Asset valuation method Market Value

Inflation Changed from 3.0% to 2.5% in the 2016 study

Salary increases 3.00%

Investment rate of return Changed from 5% to 3%, net of pension plan investment expense, in the 2016 study

Retirement age In the 2016 actuarial study, assumptions are based upon the experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011.

Mortality In the 2016 actuarial study, assumptions are based upon the experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011.

School District of Fall Creek

Schedule of Investment Returns – District Pension Plan

Year Ended June 30, 2017 (And Prior Two Fiscal Years)

	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	1.72%	1.90%	1.12%

School District of Fall Creek

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios – District OPEB Plan

Year Ended June 30, 2017

Measurement date		6/30/17
Total OPEB liability:		
Service cost	\$	4,897
Interest		6,871
Benefit payments including refunds of member contributions		(105,891)
Net change in total OPEB liability		(94,123)
Total OPEB liability - Beginning		279,541
Total OPEB liability - Ending (a)	\$	185,418
Plan fiduciary net position:		
Retiree contributions	\$	2,514
Benefit payments, including refunds of employee contributions		(108,405)
Net investment income		3,519
Net change in plan fiduciary net position		(102,372)
Plan fiduciary net position - Beginning		177,898
Plan fiduciary net position - Ending (b)	\$	75,526
District's net OPEB liability - Ending (a) - (b)	\$	109,892
Plan fiduciary net position as a percentage of the total OPEB liability		40.73%
Covered-employee payroll	\$	468,505
District's net OPEB liability as a percentage of covered-employee payroll		23.46%

Notes to Schedule:

Benefit changes: There were no changes of benefit terms.

Changes of assumptions: There were no changes in assumptions.

School District of Fall Creek

Schedule of Employer Contributions – District OPEB Plan

Year Ended June 30, 2017

	2017
Actuarially determined contribution	\$ 10,230
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	\$ 10,230
Covered-employee payroll	\$ 468,505
Contributions as a percentage of covered-employee payroll	0.00%

Notes to Schedule:

Valuation date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percent of salary
Amortization method	30 year level dollar
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.50%
Health care trend rates	7.50% initial, decreasing 0.5% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter.
Salary increases	3.0%, average, including inflation.
Investment rate of return	3.0%, net of pension plan investment expense.
Retirement age	Actuarial assumptions are based upon the experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011.
Mortality	Actuarial assumptions are based upon the experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011.

School District of Fall Creek

Schedule of Investment Returns – District OPEB Plan

Year Ended June 30, 2017

2017

Annual money-weighted rate of return, net of investment expense

1.72%

Supplementary Financial Information

School District of Fall Creek

Fiduciary Fund – Schedule of Changes in Assets and Liabilities (Student Organizations' Agency Fund)

Year Ended June 30, 2017

<i>Assets</i>	Balance 07/01/16	Receipts	Disbursements	Balance 06/30/17
Cash and investments	\$ 36,380	\$ 129,697	\$ 132,440	\$ 33,637
TOTAL ASSETS	\$ 36,380	\$ 129,697	\$ 132,440	\$ 33,637
<i>Liabilities</i>				
Due to student organizations:				
Elementary schools	\$ 6,646	\$ 26,949	\$ 26,626	\$ 6,969
Middle school	3,825	11,102	12,808	2,119
High school	25,909	82,577	90,206	18,280
Parent organizations	-	8,607	2,800	5,807
Due to General Fund	-	462	-	462
TOTAL LIABILITIES	\$ 36,380	\$ 129,697	\$ 132,440	\$ 33,637

School District of Fall Creek

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Wisconsin Department of Public Instruction				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2017-181729-SB-546		
July 1, 2016 - June 30, 2017			\$ -	\$ 15,765
National School Lunch Program (Cash Assistance)	10.555	2017-181729-NSL-547		
July 1, 2016 - June 30, 2017			-	100,121
Food Distribution (Noncash Assistance)	10.555	2017-181729-NSL-547		
July 1, 2016 - June 30, 2017			-	22,092
TOTAL 10.555			-	122,213
<u>TOTAL CHILD NUTRITION CLUSTER</u>			-	137,978
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>			-	137,978
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Wisconsin Department of Public Instruction				
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	2017-181729-IDEA-341		
July 1, 2016 - June 30, 2017			-	168,024
CESA #10				
SOAR Grants	84.027	N/A		
July 1, 2016 - June 30, 2017			-	517
TOTAL 84.027			-	168,541
Wisconsin Department of Public Instruction				
Special Education - Preschool Grants (IDEA Preschool)	84.173	17-181729-Pre-S-347		
July 1, 2016 - June 30, 2017			-	7,274
<u>TOTAL SPECIAL EDUCATION CLUSTER</u>			-	175,815
Title I, Part A:				
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	17-181729-Title I-141		
July 1, 2016 - June 30, 2017			-	107,659
<u>TOTAL TITLE I, PART A</u>			-	107,659

School District of Fall Creek

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<hr/>				
CESA #10				
Career and Technical Education - Basic Grants to States	84.048	N/A		
July 1, 2016 - June 30, 2017			-	\$ 4,519
<hr/>				
Wisconsin Department of Public Instruction				
Improving Teacher Quality State Grants	84.367	17-181729-Title II-365		
July 1, 2016 - June 30, 2017			-	21,610
<hr/>				
TOTAL U.S. DEPARTMENT OF EDUCATION			-	309,603
<hr/>				
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
CESA #10				
Medicaid Cluster				
Medical Assistance Program	93.778	N/A		
July 1, 2016 - June 30, 2017			-	48,431
<hr/>				
TOTAL FEDERAL AWARDS			\$ -	\$ 496,012
<hr/>				

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

School District of Fall Creek

Schedule of State Financial Assistance

Year Ended June 30, 2017

<u>State Grantor/Program</u>	<u>State I.D. Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Amount Provided to Subrecipients</u>	<u>Grantor Expenditures</u>
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>				
Special Education and School Age Parents Program	255.101	181729-100	\$ -	\$ 148,684
Participant in Package Program at CESA #10	255.101	181729-100	-	2,654
Total Special Education and School Age Parents Program			-	151,338
State Lunch	255.102	181729-107	-	3,626
Library Aid	255.103	181729-104	-	24,234
Morning Milk	255.109	181729-109	-	877
General Equalization	255.201	181729-116	-	5,456,170
High Cost Special Education Aid	255.210	181729-119	-	12,172
Peer Review and Mentoring	255.301	181729-141	-	4,166
Educator Effectiveness	255.940	181729-154	-	5,600
Pupil Transportation	255.107	181729-102	-	29,940
School Breakfast	255.344	181729-108	-	1,110
Per Pupil Aid	255.945	181729-113	-	196,250
Assessments of Reading Readiness	255.956	181729-166	-	1,522
Aid for Special Ed Transition Grant BBL	255.960	181729-168	-	115
Total Wisconsin Department of Public Instruction			-	5,887,120
<u>WISCONSIN DEPARTMENT OF REVENUE</u>				
Computer Aid	835.109	N/A	-	598
<u>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</u>				
CESA #10				
Chippewa Valley Youth Apprenticeship	445.107	N/A	-	2,954
TOTAL STATE FINANCIAL ASSISTANCE			\$ -	\$ 5,890,672

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

School District of Fall Creek

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2017

Note 1 Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the School District of Fall Creek under programs of the federal and state government for the year ended June 30, 2017. The information in these schedules is presented in accordance with the requirements of the Wisconsin Department of Public Instruction. Because the schedules present only a selected portion of the operations of the School District of Fall Creek, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the School District of Fall Creek.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustment or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 Special Education and School Age Parents Program

2016–2017 eligible costs under the State Special Education Program are \$631,866.

Other Reports



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Education
School District of Fall Creek
Fall Creek, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Fall Creek (the "District") as of and for the year ended June 30, 2017, 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 27, 2017.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 2017-002.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: 2017-001.

Compliance and Other Matters

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

Responses to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the 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.

/s/ Wipfli LLP

Wipfli LLP

November 27, 2017
Eau Claire, Wisconsin

Wisconsin Department of Public Instruction Compliance Requirements



Independent Auditor's Report on Compliance for Each State Program With Required Procedures and on Internal Control Over Compliance

Board of Education
School District of Fall Creek
Fall Creek, Wisconsin

Report on Compliance for Each State Program With Required Procedures

We have audited the School District of Fall Creek (the "District")'s compliance with the types of compliance requirements described in the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, that could have a direct and material effect on each of the District's state programs with required procedures for the year ended June 30, 2017. The District's state programs that have required procedures are identified in the accompanying summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's state programs with required procedures 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the compliance requirements of the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual*. Those standards and compliance requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs with required procedures 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 state program with required procedures. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each State Program With Required Procedures

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its state programs with required procedures for the year ended June 30, 2017.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 is intended solely to describe the scope of our testing of internal control over compliance and the results of testing based on requirements of the Wisconsin Department of Public Instruction. Accordingly, this report is not suitable for any other purpose.

/s/ Wipfli LLP

Wipfli LLP

November 27, 2017
Eau Claire, Wisconsin

School District of Fall Creek

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes

Significant deficiency identified? Yes

Noncompliance material to the financial statements noted? No

State Financial Assistance

Internal control over state programs:

Material weakness identified? No

Significant deficiency identified? No

Type of auditor’s report issued on compliance for state programs with required procedures: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State of Wisconsin Single Audit Guidelines*? No

Identification of state programs with required procedures:

CFDA Number	Name of State Program With Required Procedures
255.201	General Equalization

School District of Fall Creek

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2017

Section II – Financial Statement Findings

2017-001 Segregation of Duties

Criteria – No one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition – Incompatible functions are currently being performed by the same individual.

Cause – Limited staff available and inadequate compensating controls.

Effect – Decreased likelihood that unauthorized, false, or incorrectly coded transactions will be prevented, or detected and corrected, in a timely fashion, which may result in misstated financial statements.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response – The District does not have the resources available to increase staff size and address this internal control deficiency. The Board and management are aware of the incompatible duties and will continue to provide oversight and monitor the District's operations. In addition, the Board reviews monthly cash disbursements and bank reconciliations.

School District of Fall Creek

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2017

Section II – Financial Statement Findings (Continued)

2017-002 Financial Accounting and Reporting

Criteria – The District is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition – As part of our professional services for the year ended June 30, 2017, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause – The District does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect – As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation are negatively impacted as outside auditors do not have the same comprehensive understanding of the District as its own management.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response – The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor's services and review and approve the financial statements and notes.

Section III – State Findings and Questioned Costs

None.

School District of Fall Creek

Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2017

Financial Statement Findings

2016-001 Segregation of Duties – See finding 2017-001.

2016-002 Financial Accounting and Reporting – See finding 2017-002.

State Findings and Questioned Costs

None.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the School District of Fall Creek, Eau Claire County, Wisconsin (the "Issuer") in connection with the issuance of \$2,405,000 General Obligation Promissory Notes, dated January 3, 2019 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on January 15, 2018 and November 19, 2018 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated November 19, 2018 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the School Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the School District of Fall Creek, Eau Claire County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Business Manager-Consultant of the Issuer who can be contacted at 336 East Hoover Avenue, Fall Creek, Wisconsin, phone (715) 877-2123, fax (715) 877-2911.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year ended June 30, 2018, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE DISTRICT - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 3rd day of January, 2019.

(SEAL)

Brock Wright
District President

AnnMarie Anderson
District Clerk

APPENDIX C

FORM OF LEGAL OPINION

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

January 3, 2019

Re: School District of Fall Creek, Wisconsin ("Issuer")
\$2,405,000 General Obligation Promissory Notes,
dated January 3, 2019 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$275,000	___%
2020	400,000	___
2021	355,000	___
2022	370,000	___
2023	385,000	___
2024	405,000	___
2025	215,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2019.

The Notes maturing on March 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2023 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX D

**OFFICIAL NOTICE OF SALE AND BID FORM
FOR**

\$2,405,000

**SCHOOL DISTRICT OF FALL CREEK
EAU CLAIRE COUNTY, WISCONSIN**

General Obligation Promissory Notes

Sale Data:

Sale Date and Time: Monday, November 19, 2018
10:00 a.m. Central Time

Place: Robert W. Baird & Co.
Public Finance Department
777 East Wisconsin Avenue, 25th Floor
Milwaukee, Wisconsin 53202

Attention: Ms. Lori Jackson
Phone: (414) 298-7513
Fax: (414) 298-7354

Bids will be accepted electronically
via PARITY

OFFICIAL NOTICE OF SALE

\$2,405,000
SCHOOL DISTRICT OF FALL CREEK
EAU CLAIRE COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JANUARY 3, 2019

NOTICE IS HEREBY GIVEN that bids will be received by the School Board of the School District of Fall Creek, Eau Claire County, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Ms. Lori Jackson, (414) 298-7513, until 10:00 a.m. (Central Time) on:

November 19, 2018

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above, faxed to Baird at (414) 298-7354, or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for School District of Fall Creek Notes". A meeting of the School Board will be held on said date for the purpose of taking action on such bids as may be received. Bids will only be considered by the School Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated January 3, 2019 and will mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>
2019	\$370,000
2020	410,000
2021	335,000
2022	350,000
2023	365,000
2024	380,000
2025	195,000

* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities of the Notes. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amount of the Notes will remain the same.

Interest: Interest on the Notes will be payable semi-annually on March 1 and September 1 of each year, commencing on March 1, 2019 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes maturing on March 1, 2024 and thereafter will be subject to redemption prior to maturity, at the option of the District, on March 1, 2023 or on any date thereafter. Said Notes will be redeemable as a whole or in part, and if in part, from maturities selected by the District, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Term Bonds at Bidder's Option: Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Mandatory Redemption: Any term bonds specified shall be subject to mandatory sinking fund redemption in part prior to their scheduled maturity dates on March 1 of certain years, as more fully described in the Dates and Maturities section herein, at a price of par plus accrued interest to the date of redemption.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purpose of paying the remaining portion of the cost of a High School improvement project consisting of: building infrastructure, safety and security improvements, including the addition of a secure entrance; classroom and music room modernization; renovation and expansion of the commons; construction of a larger school and community weight and fitness center; and acquisition of related furnishings, fixtures and equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to

beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by Associated Trust Company, National Association, Green Bay, Wisconsin, the District's fiscal agent with respect to the Notes (the "Fiscal Agent"). The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Designation as Qualified Tax-Exempt Obligations: The Notes will be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The District Clerk or other officer of the District charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the District as of the date of delivery and payment for the Notes confirming the "qualified" status.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$2,405,000) nor more than One Hundred Two Percent (102%) of the principal amount of the Notes (\$2,453,100) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District, as calculated prior to any adjustments as described above.

The underwriter shall be responsible for paying all costs of issuance on behalf of the District. These costs include the financial advisor fee, fiscal agent fee, attorney fees, rating agency fee, and the fees for preparing and printing the Preliminary and Final Official Statement and other miscellaneous expenses of the District incurred in connection with the offering and delivery of the Notes. The total of these costs is \$40,965.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for

the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A cashier's check in the amount of \$48,100 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$48,100 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (November 19, 2018) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of

any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's Official Bid Form. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting

the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the School Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Ms. Lori Jackson, (414) 298-7513 or the undersigned.

Joe Sanfelippo
District Administrator
School District of Fall Creek
336 East Hoover Avenue
Fall Creek, Wisconsin 54742
Phone: (715) 877-2123

Exhibit A
(to Official Notice of Sale)

School District of Fall Creek, Wisconsin ("District")
\$2,405,000
General Obligation Promissory Notes,
dated January 3, 2019

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

2. ***Bond Insurance.***

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

____. ***Defined Terms.***

(a) Maturity means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is November 19, 2018.

(d) Underwriter means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public). The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, bond counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: _____

Name: _____

Dated: January 3, 2019

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)

November 19, 2018

BID FORM
SCHOOL DISTRICT OF FALL CREEK
Eau Claire County, Wisconsin
\$2,405,000 General Obligation Promissory Notes

Mr. Brock Wright, President
and Members of the School Board
SCHOOL DISTRICT OF FALL CREEK
336 East Hoover Avenue
Fall Creek, WI 54742

Dear Mr. Wright and Members of the School Board:

For all but no part of your issue of \$2,405,000 General Obligation Promissory Notes (the "Notes") said bid being no less than \$2,405,000 (100.0% of par) nor more than \$2,453,100 (102% of par) we offer to pay a price of \$_____. The dated and delivery date of the Notes is January 3, 2019. The Notes shall bear interest as follows:

<u>March 1</u>	<u>Rate</u>	<u>March 1</u>	<u>Rate</u>
2019	_____ %	2023	_____ %
2020	_____ %	2024	_____ %
2021	_____ %	2025	_____ %
2022	_____ %		

The Bidder elects to have the following Term Bond(s):

<u>Final Maturity Date</u>	<u>For Years</u>	<u>Amount</u>
March 1, _____	_____ to _____	\$ _____
March 1, _____	_____ to _____	\$ _____
March 1, _____	_____ to _____	\$ _____

This bid is made subject to all the terms and conditions of the Official Notice of Sale heretofore received and the Official Notice of Sale heretofore published, all terms and conditions which are made a part hereof as fully as though set forth in full in this bid. If the competitive sale requirements are not met, we elect to use the (circle one): 10% test - hold-the-offering price rule to determine the issue price of the Notes.

The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities set forth above. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amounts of the Notes will remain the same.

The underwriter shall be responsible for paying all costs of issuance on behalf of the District. These costs include the financial advisor fee, attorney fees, rating agency fee and the fees for preparing and printing the Preliminary and Final Official Statement and other miscellaneous expenses of the District incurred in connection with the offering and delivery of the Notes. The total of these costs is \$40,965.00.

Good Faith Deposit: A cashier's check in the amount of \$48,100 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$48,100 shall be made by the winning bidder by federal wire transfer as directed by the District Clerk or District Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (November 19, 2018) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes.

Managing Underwriter

Direct Contact and Phone Number: _____

By: _____

Please attach a list of account members

For your information, but not as a condition of this bid, the above interest rates result in:

Net Interest Cost \$ _____ True Interest Rate _____ %

The foregoing offer is hereby accepted this 19th day of November 2018 by the Members of the School Board and in recognition therefore is signed by the Officers empowered and authorized to make such acceptance.

District President

District Clerk