

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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Amery, Wisconsin
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INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

During the fiscal year ended June 30, 2022, the District adopted new Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability for all lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison – general fund, other postemployment benefits and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The individual and combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of state financial assistance as required by the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual and combining fund financial statements and schedules, 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 February 8, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Hudson, Wisconsin
February 8, 2023

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF NET POSITION
JUNE 30, 2022

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 49,123,838 |
| Taxes Receivable | 3,130,112 |
| Accounts Receivable | 133,440 |
| Land Held for Resale | 25,900 |
| Due from Other Governments | 805,548 |
| Prepaid Expenses | 54,318 |
| Wisconsin Retirement System Net Pension Asset | 5,536,795 |
| Capital Assets: | |
| Capital Assets Not Being Depreciated | 999,630 |
| Capital Assets Being Depreciated | 38,289,096 |
| Accumulated Depreciation/Amortization | <u>(22,069,570)</u> |
| Total Assets | <u>76,029,107</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Other Post Employment Benefits Pension Related | 40,611 |
| Wisconsin Retirement System Pension Related | <u>10,465,740</u> |
| Total Deferred Outflows of Resources | <u>10,506,351</u> |
| LIABILITIES | |
| Short-Term Notes Payable | 2,000,500 |
| Accounts Payable | 218,403 |
| Accrued Interest Payable | 4,811 |
| Accrued Salaries and Wages | 282,609 |
| Payroll Taxes and Withholdings | 1,783,673 |
| Due to Fiduciary Fund | 531,564 |
| Unearned Revenue | 36,324 |
| Long-Term Liabilities: | |
| Amounts Due Within One Year | 844,816 |
| Amounts Due In More Than One Year | 44,723,281 |
| Other Post Employment Benefits Liability | <u>595,626</u> |
| Total Liabilities | <u>51,021,607</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Other Post Employment Benefits Pension Related | 128,982 |
| Wisconsin Retirement System Pension Related | <u>13,044,280</u> |
| Total Inflows of Resources | <u>13,173,262</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 15,264,216 |
| Restricted for: | |
| Debt Service | 502,334 |
| Capital Projects | 167,323 |
| Education Trust | 343,247 |
| Food Service | 674,222 |
| Community Service | 5,204 |
| Wisconsin Retirement System Net Pension Asset | 5,536,795 |
| Unrestricted | <u>(152,752)</u> |
| Total Net Position | <u><u>\$ 22,340,589</u></u> |

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|---------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Total Governmental Activities |
| Primary Government | | | | | |
| Governmental Activities: | | | | | |
| Instruction: | | | | | |
| Regular Instruction | \$ 10,092,827 | \$ 1,031,612 | \$ 763,653 | \$ - | \$ (8,297,562) |
| Vocational Instruction | 782,449 | 93,218 | 125,626 | - | (563,605) |
| Special Instruction | 1,976,300 | - | 1,084,441 | - | (891,859) |
| Other Instruction | 910,584 | 84,805 | - | - | (825,779) |
| Total Instruction | 13,762,160 | 1,209,635 | 1,973,720 | - | (10,578,805) |
| Support Services: | | | | | |
| Pupil Services | 963,597 | - | 238,632 | - | (724,965) |
| Instructional Staff Services | 656,816 | - | 364,556 | - | (292,260) |
| General Administration Services | 990,748 | - | - | - | (990,748) |
| Building Administration Services | 867,433 | - | - | - | (867,433) |
| Business Services | 215,864 | - | - | - | (215,864) |
| Operation and Maintenance of Plant | 2,740,702 | - | - | 454,027 | (2,286,675) |
| Pupil Transportation Services | 905,242 | 1,014 | 285,485 | 6,503 | (612,240) |
| Food Service | 1,312,977 | 79,952 | 1,508,260 | - | 275,235 |
| Central Services | 87,579 | - | 370 | - | (87,209) |
| Insurance and Judgments | 220,817 | - | - | - | (220,817) |
| Interest and Fiscal Fees | 764,151 | - | - | - | (764,151) |
| Other Support Services | 387,951 | 256,420 | - | - | (131,531) |
| Community Services | 665,484 | 723,217 | 123,480 | - | 181,213 |
| Depreciation/Amortization/Amortization | | | | | |
| - Unallocated * | 861,227 | - | - | - | (861,227) |
| Total Support Services | 11,640,588 | 1,060,603 | 2,520,783 | 460,530 | (7,598,672) |
| Total Primary Government | \$ 25,402,748 | \$ 2,270,238 | \$ 4,494,503 | \$ 460,530 | (18,177,477) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 9,002,469 |
| Property Taxes, Levied for Debt Purposes | | | | | 231,462 |
| Property Taxes, Levied for Community Service Purposes | | | | | 104,000 |
| State and Federal Aids Not Restricted to Specific Functions: | | | | | |
| General | | | | | 8,311,675 |
| Other | | | | | 1,194,428 |
| Interest and Investment Earnings | | | | | 3,674 |
| Miscellaneous | | | | | 308,925 |
| Total General Revenues | | | | | 19,156,633 |
| Change in Net Position | | | | | 979,156 |
| Net Position - Beginning of Year | | | | | 21,361,433 |
| Net Position - End of Year | | | | | \$ 22,340,589 |

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

| | General Fund | Debt Service Fund | Capital Projects Fund | Other Governmental Funds | Totals |
|--------------------------------------|---------------------|-------------------------|-----------------------------|--------------------------------|----------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 4,605,770 | \$ 507,145 | \$ 43,272,503 | \$ 738,420 | \$ 49,123,838 |
| Taxes Receivable | 3,130,112 | - | - | - | 3,130,112 |
| Accounts Receivable | 49,714 | - | - | 83,726 | 133,440 |
| Land Held for Resale | 25,900 | - | - | - | 25,900 |
| Due from Other Governments | 352,667 | - | - | 452,881 | 805,548 |
| Due from Other Governmental Funds | 111,007 | - | - | - | 111,007 |
| Prepaid Expenses | - | - | - | 54,318 | 54,318 |
| Total Assets | <u>\$ 8,275,170</u> | <u>\$ 507,145</u> | <u>\$ 43,272,503</u> | <u>\$ 1,329,345</u> | <u>\$ 53,384,163</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Short-Term Notes Payable | \$ 2,000,500 | \$ - | \$ - | \$ - | \$ 2,000,500 |
| Accounts Payable | 93,602 | - | 63,000 | 61,801 | 218,403 |
| Accrued Salaries and Wages | 282,609 | - | - | - | 282,609 |
| Payroll Taxes and Withholdings | 1,783,673 | - | - | - | 1,783,673 |
| Due to Other Governmental Funds | - | - | - | 111,007 | 111,007 |
| Due to Fiduciary Funds | 531,564 | - | - | - | 531,564 |
| Unearned Revenues | - | - | - | 36,324 | 36,324 |
| Total Liabilities | <u>4,691,948</u> | <u>-</u> | <u>63,000</u> | <u>209,132</u> | <u>4,964,080</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 25,900 | - | - | - | 25,900 |
| Restricted | - | 507,145 | 43,209,503 | 1,120,213 | 44,836,861 |
| Unassigned | 3,557,322 | - | - | - | 3,557,322 |
| Total Fund Balances | <u>3,583,222</u> | <u>507,145</u> | <u>43,209,503</u> | <u>1,120,213</u> | <u>48,420,083</u> |
| Total Liabilities and Fund Balances | <u>\$ 8,275,170</u> | <u>\$ 507,145</u> | <u>\$ 43,272,503</u> | <u>\$ 1,329,345</u> | <u>\$ 53,384,163</u> |

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total Fund Balances - Governmental Funds \$ 48,420,083

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

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

| | | |
|---------------------------------------|---------------------|------------|
| Capital Assets | \$ 39,288,726 | |
| Accumulated Depreciation/Amortization | <u>(22,069,570)</u> | 17,219,156 |

Wisconsin Retirement System Pension Plan:

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

| | | |
|--|---------------------|-----------|
| Net Pension Asset | 5,536,795 | |
| Deferred Outflows of Resources - Pension Related | 10,465,740 | |
| Deferred Inflows of Resources - Pension Related | <u>(13,044,280)</u> | 2,958,255 |

Other Post Employment Benefit and Supplemental Pension Plan:

The District's pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

| | | |
|---|------------------|-----------|
| Net OPEB Liability | (595,626) | |
| Deferred Outflows of Resources - OPEB Related | 40,611 | |
| Deferred Inflows of Resources - OPEB Related | <u>(128,982)</u> | (683,997) |

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

| | | |
|--|----------------|--------------|
| General Obligation Debt | 41,355,000 | |
| Bond Anticipation Notes | 600,354 | |
| Financed Purchase Agreements | 70,470 | |
| Leased Liability (Right-to-Use) | 84,201 | |
| Accrued Interest Payable on Long-Term Debt | 4,811 | |
| Vested Employee Benefits | <u>473,437</u> | (42,588,273) |

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

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

(2,984,635)

Net Position of Governmental Activities

\$ 22,340,589

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

| | General Fund | Debt Service Fund | Capital Projects Fund | Other Governmental Funds | Totals |
|--|---------------------|-------------------------|-----------------------------|--------------------------------|----------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Property Taxes | \$ 9,002,469 | \$ 231,462 | \$ - | \$ 104,000 | \$ 9,337,931 |
| Other Local Sources | 439,773 | - | 6,783 | 1,013,505 | 1,460,061 |
| Interdistrict Sources | 1,084,256 | - | - | - | 1,084,256 |
| Intermediate Sources | 131,759 | - | - | - | 131,759 |
| State Sources | 10,903,199 | - | - | 128,305 | 11,031,504 |
| Federal Sources | 1,782,831 | - | - | 1,508,260 | 3,291,091 |
| Other Sources | 43,299 | - | - | 2,003 | 45,302 |
| Total Revenues | <u>23,387,586</u> | <u>231,462</u> | <u>6,783</u> | <u>2,756,073</u> | <u>26,381,904</u> |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Regular Instruction | 10,452,349 | - | - | 218,636 | 10,670,985 |
| Vocational Instruction | 859,403 | - | - | - | 859,403 |
| Special Instruction | 2,194,967 | - | - | - | 2,194,967 |
| Other Instruction | 977,090 | - | - | - | 977,090 |
| Support Services: | | | | | |
| Pupil Services | 1,012,635 | - | - | - | 1,012,635 |
| Instructional Staff Services | 949,080 | - | - | - | 949,080 |
| General Administration | 904,050 | - | - | 161,145 | 1,065,195 |
| School Building Administration | 953,996 | - | - | - | 953,996 |
| Business Services | 281,053 | - | - | - | 281,053 |
| Operation and Maintenance of Plant | 3,195,594 | - | 297,280 | 83,085 | 3,575,959 |
| Pupil Transportation Services | 981,938 | - | - | - | 981,938 |
| Food Service | - | - | - | 1,331,347 | 1,331,347 |
| Central Services | 72,692 | - | - | - | 72,692 |
| Insurance and Judgments | 220,817 | - | - | - | 220,817 |
| Debt Service | 99,831 | 1,018,163 | - | - | 1,117,994 |
| Other Support Services | 422,132 | - | - | - | 422,132 |
| Community Services | - | - | - | 708,261 | 708,261 |
| Total Expenditures | <u>23,577,627</u> | <u>1,018,163</u> | <u>297,280</u> | <u>2,502,474</u> | <u>27,395,544</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (190,041) | (786,701) | (290,497) | 253,599 | (1,013,640) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Long-Term Debt Issued | - | 41,150,000 | 43,500,000 | - | 84,650,000 |
| Premium on Debt Issued | - | 2,984,978 | - | - | 2,984,978 |
| Principal Payments on Refinanced Debt | - | (43,341,402) | - | - | (43,341,402) |
| Net Other Financing Sources (Uses) | <u>-</u> | <u>793,576</u> | <u>43,500,000</u> | <u>-</u> | <u>44,293,576</u> |
| NET CHANGE IN FUND BALANCES | (190,041) | 6,875 | 43,209,503 | 253,599 | 43,279,936 |
| Fund Balances - Beginning of Year | <u>3,773,263</u> | <u>500,270</u> | <u>-</u> | <u>866,614</u> | <u>5,140,147</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 3,583,222</u> | <u>\$ 507,145</u> | <u>\$ 43,209,503</u> | <u>\$ 1,120,213</u> | <u>\$ 48,420,083</u> |

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 43,279,936

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

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

| | | |
|---|--------------------|---------|
| Capital Outlays Reported in Governmental Fund Statements | \$ 2,183,202 | |
| Depreciation/Amortization Expense Reported in the Statement of Activities | <u>(1,331,539)</u> | 851,663 |

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

The gain (loss) on disposal of capital assets during the year is: (959,543)

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

| | | |
|---|----------------|-----------|
| Pension Liability (Asset) and Related Items | 1,266,866 | |
| OPEB Liability and Related Items | <u>193,826</u> | 1,460,692 |

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt incurred in the current year is:

(84,650,000)

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

| | | |
|---------------------------------|---------------|------------|
| General Obligation Bond Payable | 43,542,408 | |
| Financed Purchase Agreements | 113,762 | |
| Lease Liability - Right to Use | <u>35,695</u> | 43,691,865 |

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

| | | |
|--|-----------------|-------|
| Interest Paid During the Current Period | 33,753 | |
| Interest Accrued During the Current Period | <u>(29,922)</u> | 3,831 |

The premium on debt issued is amortized over the life of the related debt in the statement of activities. The debt premium is considered an other financing source in the governmental funds. In the current year this amount consists of

(2,984,978)

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

| | | |
|---|----------------|----------------|
| Amortization of Debt Discount | (451) | |
| Net Change in Vested Employee Benefits Assets/Liabilities | <u>286,141</u> | <u>285,690</u> |

Change in Net Position of Governmental Activities \$ 979,156

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF NET POSITION – FIDUCIARY FUND
JUNE 30, 2022**

| | <u>Employee Benefit Trust Fund</u> |
|--|--|
| ASSETS | |
| Cash and Investments Held By Fiscal Agent | \$ 151,280 |
| Due from Governmental Funds | <u>531,564</u> |
| Total Assets | <u><u>\$ 682,844</u></u> |
| FIDUCIARY NET POSITION | |
| Restricted for Other Postemployment Benefits | <u><u>\$ 682,844</u></u> |

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND
YEAR ENDED JUNE 30, 2022**

| | Employee Benefit Trust Fund |
|--|-----------------------------------|
| ADDITIONS | |
| Local Sources: | |
| Interest | \$ 9,188 |
| Contributions Other Post Employment Benefit Plan | 260,594 |
| Total Additions | 269,782 |
| DEDUCTIONS | |
| Benefit Payments | 248,138 |
| Total Deductions | 248,138 |
| CHANGE IN FIDUCIARY NET POSITION | 21,644 |
| Fiduciary Net Position - Beginning of Year | 661,200 |
| FIDUCIARY NET POSITION - END OF YEAR | \$ 682,844 |

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

C. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has the following major governmental funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for the accumulation of resources for, and the payment of, capital project related costs.

Debt Service Fund

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

All remaining governmental funds are aggregated and reported as non-major funds.

Additionally, the District reports the following fiduciary fund:

Employee Benefit Trust Fund

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing through 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 expenditures are incurred, both restricted and unrestricted fund balance may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

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

1. Deposits and Investments

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

2. Receivables and Payables

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

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

Property taxes are recognized as revenue in the period for which taxes are levied. The 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2022. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes that are collected within 60 days of June 30th are considered available to pay current liabilities.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

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

7. Compensated Absences

It is the District's policy to permit certain employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the District's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 5.C.

8. Other Postemployment Benefits Payable

Under the provisions of various employee and union contracts the District provides a retirement program for certain employees which include certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded from an employee benefit trust fund (see Note 5.E). The benefit accrual was actuarially determined.

9. Wisconsin Retirement System Pension Benefits

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Long-Term Obligations

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

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

11. Use of Restricted Resources

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

12. Equity Classifications

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

Government-Wide and Fiduciary Fund Financial Statements

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Equity Classifications (Continued)

Governmental Fund Financial Statements

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

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

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

F. Newly Implemented Accounting Standards

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has implemented GASB 87 for the period ending June 30, 2022. Changes adopted conform to the provisions of this standard and are effective from July 1, 2021 forward.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net position and revenues/expenses shown in the government-wide financial statements are presented on pages 8 and 10, respectively.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The District's legal budget is adopted at the major function level in the general fund (i.e., general government). General fund expenditures were greater than budgeted expenditures for fiscal year 2022 as follows:

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Instruction: | | | | |
| Undifferentiated Curriculum | \$ 4,412,257 | \$ 4,412,257 | \$ 4,552,481 | \$ (140,224) |
| Regular Curriculum | 4,267,408 | 4,267,408 | 4,476,694 | (209,286) |
| Physical Curriculum | 438,505 | 438,505 | 506,068 | (67,563) |
| Special Education Curriculum | 2,067,014 | 2,067,014 | 2,152,186 | (85,172) |
| Co-Curricular Activities | 366,805 | 366,805 | 471,022 | (104,217) |
| Support Services: | | | | |
| Pupil Services | 979,607 | 979,607 | 1,012,635 | (33,028) |
| General Administration | 763,917 | 763,917 | 904,050 | (140,133) |
| School Building Administration | 935,086 | 935,086 | 953,996 | (18,910) |
| Insurance and Judgments | 218,550 | 218,550 | 220,817 | (2,267) |
| Non-Program: | | | | |
| Other Non-Program | 385 | 385 | 15,617 | (15,232) |

These overages were determined necessary and authorized by management and the school board.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

The District's cash and investments balances at June 30, 2022 were shown in the financial statements as follows:

| | |
|------------------------------|----------------------|
| Governmental Funds | \$ 49,123,838 |
| Fiduciary Funds: | |
| Employee Benefit Trust Funds | 151,280 |
| Total | <u>\$ 49,275,118</u> |

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The above balances at June 30, 2022 consisted of the following:

| | |
|---|---------------|
| Deposits at Financial Institutions | \$ 5,773,846 |
| Investment with Fiscal Agent (Employee Benefit Trust Funds) | 151,280 |
| Bond Proceed Deposit Account (WISC) | 43,349,992 |
| Total | \$ 49,275,118 |

Deposits at Financial Institutions

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

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2022, the District's deposits were not exposed to custodial credit risk.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits in Repurchase Investment Sweep Account

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

Investments

The District's investments at June 30, 2022 consisted of deposits in the following external investment pool, an investment with a fiscal agent:

Investment with Fiscal Agent

The deposits with fiscal agent consisted of amounts paid into the employee benefit trust fund (see Note 5.B and Note 5.C) and are comprised of amounts invested in non-registered fixed annuity accounts. These funds (\$151,280) are held at MidAmerica. The investment is neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits in Wisconsin Investment Series Cooperative (WISC of Fund)

WISC was established in 1988 by school officials pursuant to an Intergovernmental Cooperation Agreement designed specifically for investment of funds by participating Wisconsin public entities. It is governed by a board of commissioners comprised of superintendents and business officials of participating entities. The investment objective of the Fund is to provide a competitive yield for participants while maintaining liquidity and preserving capital by investing only in securities and instruments in which public entities are permitted to invest by Wisconsin law. The Commission has contracted with JPMorgan Chase Bank to act as its investment advisor and with PMA Financial Network, Inc. (PMA) to administer the Fund. The District's holdings in WISC consisted of the following:

| <u>Insurer</u> | <u>Instrument</u> | <u>Amount</u> |
|----------------|-------------------------|---------------|
| Not Insured | Treasury Securities | \$ 40,229,165 |
| Not Insured | Certificate of Deposits | 688,331 |
| Not Insured | Money Market Account | 8,357,622 |

B. Fair Value Measurements

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

Financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fair Value Measurements (Continued)

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

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|----------------------|-------------------|-------------|----------------------|
| U.S. Treasury and Agencies | \$ 40,229,165 | \$ - | \$ - | \$ 40,229,165 |
| Municipal Bonds | 3,120,827 | - | - | 3,120,827 |
| Fixed Annuity | - | 151,279 | - | 151,279 |
| Total | <u>\$ 43,349,992</u> | <u>\$ 151,279</u> | <u>\$ -</u> | <u>\$ 43,501,271</u> |

C. Capital Assets

Changes in the capital assets for the year ended June 30, 2022 were as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|-------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 739,242 | \$ - | \$ - | \$ 739,242 |
| Construction Work in Progress | 503,000 | 260,388 | (503,000) | 260,388 |
| Total Capital Assets, Not Being Depreciated | 1,242,242 | 260,388 | (503,000) | 999,630 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 2,582,210 | 80,633 | (931,228) | 1,731,615 |
| Buildings and Improvements | 30,346,385 | 191,860 | (1,211,763) | 29,326,482 |
| Furniture and Equipment | 5,570,268 | 1,650,321 | (100,657) | 7,119,932 |
| * Leased Asset (Right-to-Use) | 119,896 | - | (8,829) | 111,067 |
| Total Capital Assets, Being Depreciated | 38,618,759 | 1,922,814 | (2,252,477) | 38,289,096 |
| Accumulated Depreciation/Amortization for | | | | |
| Land Improvements | 1,943,849 | 62,624 | (861,865) | 1,144,608 |
| Buildings and Improvements | 16,634,082 | 688,170 | (834,711) | 16,487,541 |
| Furniture and Equipment | 3,956,034 | 544,205 | (90,529) | 4,409,710 |
| * Leased Asset (Right-to-Use) | - | 36,540 | (8,829) | 27,711 |
| Total Accumulated Depreciation/ Amortization | 22,533,965 | 1,331,539 | (1,795,934) | 22,069,570 |
| Total Capital Assets, Being Depreciated, Net | 16,084,794 | 591,275 | (456,543) | 16,219,526 |
| Governmental Activities: | | | | |
| Capital Assets, Net | <u>\$ 17,327,036</u> | <u>\$ 851,663</u> | <u>\$ (959,543)</u> | <u>\$ 17,219,156</u> |

* This is the restated amount due to the implementation of GASB Statement No. 87.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Instruction:

| | |
|------------------------|------------|
| Regular Instruction | \$ 237,883 |
| Vocational Instruction | 1,192 |
| Special Instruction | 423 |
| Other Instruction | 3,447 |

Support Services:

| | |
|------------------------------------|---------|
| Pupil Services | 45,708 |
| Instructional Staff Services | 622 |
| General Administrative Services | 13,394 |
| Business Services | 5,317 |
| Operation and Maintenance of Plant | 180,928 |
| Pupil Transportation Services | 125,332 |
| Food Service | 17,952 |
| Central Services | 24,141 |

| | |
|---|---------------------|
| Unallocated Depreciation/Amortization | 675,200 |
| Total Depreciation/Amortization for Governmental Activities | <u>\$ 1,331,539</u> |

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2022 were as follows:

| | Balances July 1, 2021 | Additions | Reductions | Balances June 30, 2022 | Amounts Due Within One Year |
|---|--------------------------|----------------------|----------------------|---------------------------|-----------------------------------|
| General Obligation Bonds | \$ 300,000 | \$ 41,150,000 | \$ 95,000 | \$ 41,355,000 | \$ 390,000 |
| General Obligation Notes - Direct Borrowing | 547,762 | 43,500,000 | 43,447,408 | 600,354 | 268,242 |
| Bond Premiums | - | 2,984,978 | - | 2,984,978 | - |
| Bond Discounts | (794) | - | (451) | (343) | - |
| Financed Purchase Agreements | 184,232 | - | 113,762 | 70,470 | 70,470 |
| * Lease Liability - Right to Use | 119,896 | - | 35,695 | 84,201 | 27,726 |
| Compensated Absences | 759,578 | - | 286,141 | 473,437 | 88,378 |
| | <u>\$ 1,910,674</u> | <u>\$ 87,634,978</u> | <u>\$ 43,977,555</u> | <u>\$ 45,568,097</u> | <u>\$ 844,816</u> |

* This is the restated amount due to the implementation of GASB Statement No. 87.

On May 16, 2022, the District issued \$43,500,000 of bond anticipation note for interim financing for the purpose of paying costs of improvements for the elementary, intermediate, middle and high school buildings and grounds. The note bears an interest rate of 1.88% and matures on September 1, 2022. This bond anticipation note was refunded by general obligation bonds issued June 7, 2022.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

On June 7, 2022 the District issued \$41,150,000 of general obligation bonds to refinance the 2022 bond anticipation note. The bonds bear an interest rate ranging from 4% to 5% and matures on April 1, 2042.

The District's estimated liabilities for compensated absences are discussed in Note 5.C.

General Obligation Debt

Individual general obligation long-term debt issues outstanding at June 30, 2022 and future principal and interest requirements for their retirement at that date were as follows:

| | Issue Date | Final Maturity Date | Interest Rate | Original Issue | Amount Outstanding |
|---------------------------|---------------|---------------------------|------------------|-------------------|-----------------------|
| General Obligation Bonds: | | | | | |
| Refunding Bonds | 5/23/11 | 10/1/23 | 1.10% - 4.65% | \$ 1,035,000 | \$ 205,000 |
| Refunding Bonds | 6/28/2022 | 4/1/2042 | 4.00%-5.00% | 41,150,000 | 41,150,000 |
| General Obligation Notes: | | | | | |
| G.O. Loan | 4/16/21 | 4/16/28 | 2.60% | 350,000 | 303,766 |
| G.O. Loan | 9/7/18 | 8/30/24 | 4.00% | 355,000 | 137,990 |
| Anticipation Note | 5/16/2022 | 9/1/2022 | 1.88% | 43,500,000 | 158,598 |
| | | | | | <u>\$ 41,955,354</u> |

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2022 were as follows:

| Fiscal Year Ending June 30, | Governmental Activities | | |
|-----------------------------|-------------------------|----------------------|----------------------|
| | Bonds | | |
| | Principal | Interest | Total |
| 2023 | \$ 390,000 | \$ 1,362,045 | \$ 1,752,045 |
| 2024 | 950,000 | 1,774,541 | 2,724,541 |
| 2025 | 1,005,000 | 1,729,850 | 2,734,850 |
| 2026 | 1,170,000 | 1,679,600 | 2,849,600 |
| 2027 | 1,345,000 | 1,621,100 | 2,966,100 |
| 2028-2032 | 9,405,000 | 6,904,750 | 16,309,750 |
| 2033-2037 | 12,185,000 | 4,481,800 | 16,666,800 |
| 2038-2042 | 14,905,000 | 1,836,400 | 16,741,400 |
| Total | <u>\$ 41,355,000</u> | <u>\$ 21,390,086</u> | <u>\$ 62,745,086</u> |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

| <u>Fiscal Year Ending June 30,</u> | Governmental Activities | | |
|------------------------------------|-----------------------------|------------------|-------------------|
| | Notes from Direct Borrowing | | |
| | Principal | Interest | Total |
| 2023 | \$ 268,242 | \$ 12,286 | \$ 280,528 |
| 2024 | 113,407 | 8,522 | 121,929 |
| 2025 | 60,978 | 5,454 | 66,432 |
| 2026 | 51,232 | 4,101 | 55,333 |
| 2027 | 52,564 | 2,769 | 55,333 |
| 2028 | 53,931 | 1,402 | 55,333 |
| Total | <u>\$ 600,354</u> | <u>\$ 34,534</u> | <u>\$ 634,888</u> |

The equalized valuation of the District as certified by the Wisconsin Department of Revenue, the legal debt limit and margin of indebtedness as of June 30, 2022 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes are as follows:

| | |
|---|----------------------|
| Debt Limit (10% of \$1,193,930,625) | \$ 119,393,063 |
| Deduct Long-Term Debt Applicable to Debt Margin | 41,955,354 |
| Margin of Indebtedness | <u>\$ 77,437,709</u> |

The District's outstanding direct placement general obligation notes payable are backed by the full faith and credit of the District. The general obligation debt in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

Lease Liability – Right-to-Use

The District leases copiers, printers, computers and chromebooks with various terms under long-term noncancelable lease agreements, which expire at various dates through 2026. The District is required to make annual principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreements. The future minimum lease payments for these lease agreements are as follows:

| <u>Fiscal Year Ending June 30,</u> | Principal | Interest | Total |
|------------------------------------|------------------|-----------------|------------------|
| 2023 | \$ 27,445 | \$ 1,454 | \$ 28,899 |
| 2024 | 24,145 | 915 | 25,060 |
| 2025 | 23,422 | 431 | 23,853 |
| 2026 | 9,189 | 46 | 9,235 |
| Total | <u>\$ 84,201</u> | <u>\$ 2,846</u> | <u>\$ 87,047</u> |

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Financed Purchase Agreements

The District has financed purchase agreements for wireless access points IT equipment and computers. The future minimum lease payments for these lease agreements are as follows:

| <u>Fiscal Year Ending June 30,</u> 2023 | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|------------------|-----------------|------------------|
| | <u>\$ 70,470</u> | <u>\$ 3,154</u> | <u>\$ 73,624</u> |

E. Temporary Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2022 were as follows:

| <u>Principal Outstanding at 7/1/21</u> | <u>Loan Proceeds</u> | <u>Repayments</u> | <u>Principal Outstanding at 6/30/22</u> | <u>Accrued Interest 6/30/22</u> | <u>Interest Expense</u> | <u>Interest Rate</u> | <u>Maturity Date</u> |
|--|----------------------|-------------------|---|---------------------------------|-------------------------|----------------------|----------------------|
| \$ 2,000,500 | \$ 3,700,500 | \$ 3,700,500 | \$ 2,000,500 | \$ - | \$ 17,763 | 3.25% | 10/31/22 |

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

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2022 consisted of the following:

| | <u>Total</u> | <u>Nonspendable</u> | <u>Restricted</u> | <u>Unassigned</u> |
|--|----------------------|---------------------|----------------------|---------------------|
| Major Funds | | | | |
| General Fund: | | | | |
| Land Held for Resale | \$ 25,900 | \$ 25,900 | \$ - | \$ - |
| Unassigned | 3,557,322 | - | - | 3,557,322 |
| Subtotal General Fund | <u>3,583,222</u> | <u>25,900</u> | <u>-</u> | <u>3,557,322</u> |
| Debt Service Payments | 507,145 | - | 507,145 | - |
| Capital Projects Fund | 43,209,503 | - | 43,209,503 | - |
| Nonmajor Funds | | | | |
| Special Revenue Funds: | | | | |
| Education Trust Purposes | 343,247 | - | 343,247 | - |
| Food Service Purposes | 674,222 | - | 674,222 | - |
| Long-Term Capital Projects | 97,540 | - | 97,540 | - |
| Community Services Programs: | | | | |
| Theatre Purposes | 5,204 | - | 5,204 | - |
| Subtotal Nonmajor Funds | <u>1,120,213</u> | <u>-</u> | <u>1,120,213</u> | <u>-</u> |
| Total Governmental Funds Balances at June 30, 2022 | <u>\$ 48,420,083</u> | <u>\$ 25,900</u> | <u>\$ 44,836,861</u> | <u>\$ 3,557,322</u> |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information About the Pension Plan

General Information about the Pension Plan

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

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

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

The WRS also provides death and disability benefits for employees.

Postretirement 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> |
|-------------|---------------------------------|-------------------------------------|
| 2012 | (7.0) | (7.0) |
| 2013 | (9.6) | 9.0 |
| 2014 | 4.7 | 25.0 |
| 2015 | 2.9 | 2.0 |
| 2016 | 0.5 | (5.0) |
| 2017 | 2.0 | 4.0 |
| 2018 | 2.4 | 17.0 |
| 2019 | 0.0 | -10.0 |
| 2020 | 1.7 | 21.0 |
| 2021 | 5.1 | 13.0 |

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

During the reporting period, the WRS recognized \$767,445 in contributions from the employer.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued). Contribution rates for the reporting period are:

| | Employee | Employer |
|------------------------------|----------|----------|
| General (Including Teachers) | 6.75% | 6.75% |

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

At June 30, 2022, the District reported an asset of \$5,536,795 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 and rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.06869316%, which was a decrease of 0.00105136% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension revenue of \$478,069.

At June 30, 2022, 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 |
|---|--------------------------------------|-------------------------------------|
| Description | | |
| Differences Between Expected and Actual Experience | \$ 8,944,410 | \$ 644,988 |
| Change in Assumptions | 1,032,975 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 12,386,270 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 8,260 | 13,022 |
| District Contributions Subsequent to the Measurement Date | 480,095 | - |
| Total | \$ 10,465,740 | \$ 13,044,280 |

\$480,095 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability (asset) in the year ended June 30, 2023.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

| <u>Year Ended June 30,</u> | <u>Pension Expense Amount</u> |
|----------------------------|---------------------------------------|
| 2023 | \$ (260,607) |
| 2024 | (1,504,422) |
| 2025 | (661,522) |
| 2026 | (632,084) |

Actuarial assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial Valuation Date: | December 31, 2020 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 6.8% |
| Discount Rate: | 6.8% |
| Salary Increases: | 3.1% to 8.6%, Including Inflation |
| Inflation: | 2.0% to 2.5% - Approximate; No Price Inflation Assumption is Used this Valuation |
| Mortality: | Wisconsin 2020 Mortality Table |
| Post-Retirement Adjustments*: | 1.7% |

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from the prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 geometric real rates of return for each major asset class are summarized in the following table:

| <u>Core Fund Asset Class</u> | <u>Current Asset Allocation Percentage</u> | <u>Long-Term Expected Nominal Rate of Return</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--|--|---|
| Global Equities | 52.0 % | 6.8% | 4.2% |
| Fixed Income | 25.0 | 4.3% | 1.8% |
| Inflation Sensitive Assets | 19.0 | 2.7% | 0.2% |
| Real Estate | 7.0 | 5.6% | 3.0% |
| Private Equity/Debt | 12.0 | 9.7% | 7.0% |
| Total Core Fund | <u>115.0 %</u> | 6.6% | 4.0% |
| | | | |
| <u>Variable Fund Asset Class</u> | | | |
| Domestic Equities | 70.0 % | 6.3% | 3.7% |
| International Equities | 30.0 | 7.2% | 4.6% |
| Total Variable Fund | <u>100.0 %</u> | 6.8% | 4.2% |

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 investment 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 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

| | 1% Decrease 5.80% | Current Discount Rate 6.80% | 1% Increase 7.80% |
|---|----------------------|-----------------------------------|----------------------|
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 3,928,748 | \$ (5,536,795) | \$ (12,350,225) |

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

Payable to the Pension Plan

At June 30, 2022, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan for the year ended June 30, 2022.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB)

The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

Single-Employer Plan Description

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

Benefits Provided

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

Employees covered by benefit terms. At June 30, 2022, the following employees were covered by the benefit terms.

| | |
|--|-----|
| Inactive Plan Members or Beneficiaries Currently | |
| Receiving Benefit Payments | 24 |
| Active Plan Members | 120 |
| Total | 144 |

Contributions

Per the District's Trust Agreement the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June, 30, 2022, the District's average contribution rate was 3.26% of covered-employee payroll.

Investments

Investment policy. The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. The District's asset allocation policy as of June 30, 2022 was comprised entirely of fixed annuity investments.

Rate of return. For the year ended June 30, 2022, the annual money-weighted rate of return, net of investment expense, was 2.27%.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

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

Net OPEB Liability

| | |
|---|--------------|
| Total OPEB Liability - Ending (a) | \$ 1,278,470 |
| Plan Fiduciary Net Position - Ending (b) | 682,844 |
| District's Net OPEB Liability - Ending (a) - (b) | \$ 595,626 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 53.41% |

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

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

| | |
|--|---|
| Actuarial Cost Method: | Entry Age Normal |
| Amortization Method: | Level Percent of Salary |
| Remaining Amortization Period: | 5 Years |
| Asset Valuation Method: | Market Value |
| Inflation: | 2.50% |
| Salary Increases: | 3.00% |
| Investment Rate of Return: | 3.50% |
| Discount Rate: | 3.50% |
| Retirement Age: | Early Retirement - Age 55 years Regular Retirement - Age 57 (30 or more years of service) |
| Plan Participation of Future Retirees: | 100% |
| Mortality: | Wisconsin 2018 Mortality Table |
| Healthcare Cost Trend Rates: | 6.50% decreasing 0.1% per year to 5.0%, and level thereafter |

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

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

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

Discount Rate

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

Changes in the Net OPEB Liability

| | <u>Total OPEB Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net OPEB Liability (a-b)</u> |
|---|-------------------------------------|--|-------------------------------------|
| Balances at June 30, 2021 | \$ 1,488,138 | \$ 661,199 | \$ 826,939 |
| Changes for the Year: | | | |
| Service Cost | 57,023 | - | 57,023 |
| Interest | 31,333 | - | 31,333 |
| Changes of Assumptions or Other Input | (49,886) | - | (49,886) |
| Contributions - Employer | - | 260,594 | (260,594) |
| Net Investment Income | - | 9,189 | (9,189) |
| Difference Between Expected and Actual Benefit Payments | (248,138) | (248,138) | - |
| Net Changes | <u>(209,668)</u> | <u>21,645</u> | <u>(231,313)</u> |
| Balances at June 30, 2022 | <u>\$ 1,278,470</u> | <u>\$ 682,844</u> | <u>\$ 595,626</u> |

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Continued)

| | 1% Decrease 2.50% | Current Discount Rate 3.50% | 1% Increase 4.50% |
|--------------------|----------------------|-----------------------------------|----------------------|
| Net OPEB Liability | <u>\$ 636,754</u> | <u>\$ 595,626</u> | <u>\$ 554,410</u> |

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

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

| | 1% Decrease (6.5% decreasing to 4.0%) | Healthcare Cost Trend Rates (7.5% decreasing to 5.0%) | 1% Increase (8.5% decreasing to 6.0%) |
|--------------------|--|---|--|
| Net OPEB Liability | <u>\$ 574,666</u> | <u>\$ 595,626</u> | <u>\$ 619,723</u> |

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$193,825. At June 30, 2022, District reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources.

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 27,400 |
| Changes of Assumptions or Other Input | 26,558 | 101,582 |
| Net Difference Between Projected and Actual Earnings on OPEB Investments | 14,053 | - |
| Total | <u>\$ 40,611</u> | <u>\$ 128,982</u> |

These deferred outflows and inflows of resources will be recognized in OPEB expense as an increase of \$9,063 for year 2023, an increase of \$11,934 for year 2024, an increase of \$14,268 for year 2025, an increase of \$14,891 for year 2026, an increase of \$14,415 for year 2027, and an increase of \$23,800 thereafter.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Compensated Absences

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

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

The District also provides associate staff retirees who meet certain age and length of service requirement, a cash payout of their unused sick leave at a rate of \$90 per day. The District's estimated liability for vacation and sick leave benefits at June 30, 2022 totaled \$473,437 and is financed through the District's annual operating budget on a pay-as-you-go basis. It was recorded as a long-term obligation in the government-wide financial statements.

D. Employee Benefit Fund

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's early retirement benefit obligations (see Note 5.A). The District contributed \$260,594 during 2021-22. The employee benefit trust fund had net position of \$682,844 at June 30, 2022.

E. Limitation on School District Revenues

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER INFORMATION (CONTINUED)

F. Risk Management

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

G. Commitments and Contingencies

Construction Contracts:

The District is committed to a series of construction contracts for the purposes of replacing and upgrading the building air handling units of the district. At June 30, 2022, the District's remaining commitment under these contracts is \$179,380.

The District is also committed to a series of construction contracts for the purpose of improvements for the elementary, intermediate, middle and high school buildings and grounds. Bond proceeds of \$43,500,000 have been placed in the District's capital projects fund for this purpose.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 9,002,469 | \$ 9,002,469 | \$ 9,002,469 | \$ - |
| Other Local Sources | 470,046 | 470,046 | 439,773 | (30,273) |
| Interdistrict Sources | 1,057,600 | 1,057,600 | 1,084,256 | 26,656 |
| Intermediate Sources | 120,772 | 120,772 | 131,759 | 10,987 |
| State Sources | 10,817,351 | 10,817,351 | 10,903,199 | 85,848 |
| Federal Sources | 2,248,218 | 2,248,218 | 1,782,831 | (465,387) |
| Other Sources | 66,125 | 66,125 | 43,299 | (22,826) |
| Total Revenues | <u>23,782,581</u> | <u>23,782,581</u> | <u>23,387,586</u> | <u>(394,995)</u> |
| EXPENDITURES | | | | |
| Instruction: | | | | |
| Undifferentiated Curriculum | 4,412,257 | 4,412,257 | 4,552,481 | (140,224) |
| Regular Curriculum | 4,267,408 | 4,267,408 | 4,476,694 | (209,286) |
| Vocational Curriculum | 862,856 | 862,856 | 859,403 | 3,453 |
| Physical Curriculum | 438,505 | 438,505 | 506,068 | (67,563) |
| Special Education Curriculum | 2,067,014 | 2,067,014 | 2,152,186 | (85,172) |
| Co-Curricular Activities | 366,805 | 366,805 | 471,022 | (104,217) |
| Other Special Needs | 90,705 | 90,705 | 31,009 | 59,696 |
| Total Instruction | <u>12,505,550</u> | <u>12,505,550</u> | <u>13,048,863</u> | <u>(543,313)</u> |
| Support Services: | | | | |
| Pupil Services | 979,607 | 979,607 | 1,012,635 | (33,028) |
| Instructional Staff Services | 988,619 | 988,619 | 949,080 | 39,539 |
| General Administration | 763,917 | 763,917 | 904,050 | (140,133) |
| School Building Administration | 935,086 | 935,086 | 953,996 | (18,910) |
| Business Administration | 4,863,055 | 4,863,055 | 4,461,798 | 401,257 |
| Central Services | 79,722 | 79,722 | 72,692 | 7,030 |
| Insurance and Judgments | 218,550 | 218,550 | 220,817 | (2,267) |
| Debt Services | 330,000 | 330,000 | 99,831 | 230,169 |
| Other Support Services | 432,500 | 432,500 | 403,302 | 29,198 |
| Total Support Services | <u>9,591,056</u> | <u>9,591,056</u> | <u>9,078,201</u> | <u>512,855</u> |
| Non-Program: | | | | |
| Purchased Instructional Services | 1,669,090 | 1,669,090 | 1,434,946 | 234,144 |
| Other Non-Program | 385 | 385 | 15,617 | (15,232) |
| Total Non-Program | <u>1,669,475</u> | <u>1,669,475</u> | <u>1,450,563</u> | <u>218,912</u> |
| Total Expenditures | <u>23,766,081</u> | <u>23,766,081</u> | <u>23,577,627</u> | <u>188,454</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 16,500 | 16,500 | (190,041) | (206,541) |
| NET CHANGE IN FUND BALANCE | 16,500 | 16,500 | (190,041) | (206,541) |
| Fund Balances - Beginning of Year | 3,773,263 | 3,773,263 | 3,773,263 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 3,789,763</u> | <u>\$ 3,789,763</u> | <u>\$ 3,583,222</u> | <u>\$ (206,541)</u> |

See accompanying Notes to Required Supplementary Information.

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

| Plan Measurement Date | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Covered Payroll | Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-----------------------------|---|---|--------------------|--|--|
| 12/31/2021 | 0.06869316% | \$ (5,536,795) | \$ 11,700,915 | -47.32% | 106.02% |
| 12/31/2020 | 0.06974452% | (4,354,247) | 11,379,889 | -38.26% | 105.26% |
| 12/31/2019 | 0.07072844% | (2,280,607) | 11,246,551 | -20.28% | 102.96% |
| 12/31/2018 | 0.07110572% | 2,529,718 | 10,910,911 | 23.19% | 96.45% |
| 12/31/2017 | 0.07140412% | (2,120,073) | 10,541,054 | -20.11% | 102.93% |
| 12/31/2016 | 0.07247229% | 597,345 | 10,324,757 | 5.79% | 99.12% |
| 12/31/2015 | 0.07381274% | 1,199,443 | 10,210,179 | 11.75% | 92.20% |
| 12/31/2014 | 0.07564503% | (1,858,049) | 10,375,540 | -17.91% | 102.74% |

See accompanying Notes to Required Supplementary Information.

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

| District Fiscal Year Ending | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-----------------------------------|--|---|--|--------------------|---|
| 6/30/2022 | \$ 767,445 | \$ (767,445) | \$ - | \$ 11,931,306 | 6.43% |
| 6/30/2021 | 775,837 | (775,837) | - | 11,464,498 | 6.77% |
| 6/30/2020 | 750,079 | (750,079) | - | 11,235,977 | 6.68% |
| 6/30/2019 | 823,833 | (823,833) | - | 12,453,384 | 6.62% |
| 6/30/2018 | 716,795 | (716,795) | - | 10,745,626 | 6.67% |
| 6/30/2017 | 691,268 | (691,268) | - | 10,313,690 | 6.70% |
| 6/30/2016 | 686,989 | (686,989) | - | 10,258,158 | 6.70% |
| 6/30/2015 | 709,889 | (709,889) | - | 10,290,643 | 6.90% |

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

Changes of Assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

See accompanying Notes to Required Supplementary Information.

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability: | | | | | | |
| Service Cost | \$ 61,392 | \$ 61,392 | \$ 59,043 | \$ 51,355 | \$ 63,318 | \$ 57,023 |
| Interest | 70,373 | 67,084 | 67,966 | 60,062 | 36,667 | 31,333 |
| Differences Between Expected and Actual Experience | - | - | (19,617) | - | (23,456) | - |
| Changes of Assumptions or Other Input | - | (16,913) | 21,558 | 25,249 | (67,220) | (49,886) |
| Benefit Payments | (242,427) | (209,022) | (220,257) | (222,712) | (236,862) | (248,139) |
| Net Change in Total OPEB Liability | (110,662) | (97,459) | (91,307) | (86,046) | (227,553) | (209,669) |
| Total OPEB Liability - Beginning | 2,101,165 | 1,990,503 | 1,893,044 | 1,801,737 | 1,715,691 | 1,488,138 |
| Total OPEB Liability - Ending (a) | <u>\$ 1,990,503</u> | <u>\$ 1,893,044</u> | <u>\$ 1,801,737</u> | <u>\$ 1,715,691</u> | <u>\$ 1,488,138</u> | <u>\$ 1,278,469</u> |
| Plan Fiduciary Net Position: | | | | | | |
| Contributions - Employer | \$ 175,428 | \$ 220,847 | \$ 231,839 | \$ 233,847 | \$ 228,808 | \$ 260,594 |
| Net Investment Income | 9,674 | 8,561 | 8,928 | 10,780 | 11,633 | 9,188 |
| Benefit Payments | (242,427) | (209,022) | (220,257) | (222,712) | (236,862) | (248,138) |
| Net Change in Plan Fiduciary Net Position | (57,325) | 20,386 | 20,510 | 21,915 | 3,579 | 21,644 |
| Plan Fiduciary Net Position - Beginning | 652,134 | 594,809 | 615,195 | 635,705 | 657,620 | 661,199 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 594,809</u> | <u>\$ 615,195</u> | <u>\$ 635,705</u> | <u>\$ 657,620</u> | <u>\$ 661,199</u> | <u>\$ 682,843</u> |
| District's Net OPEB Liability - Ending (a) - (b) | <u>\$ 1,395,694</u> | <u>\$ 1,277,849</u> | <u>\$ 1,166,032</u> | <u>\$ 1,058,071</u> | <u>\$ 826,939</u> | <u>\$ 595,626</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 29.88% | 32.50% | 35.28% | 38.33% | 44.43% | 53.41% |
| Covered Employee Payroll | \$ 5,900,977 | \$ 5,900,977 | \$ 7,253,891 | \$ 7,253,891 | \$ 7,994,900 | \$ 7,994,900 |
| District's Net OPEB Liability as a Percentage of Covered Employee Payroll | 23.65% | 21.65% | 16.07% | 14.59% | 10.34% | 7.45% |

See accompanying Notes to Required Supplementary Information.

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------------|--------------------|-----------------|--------------------|-----------------|-----------------|
| Actuarially Determined Contribution (ADC) | \$ 178,077 | \$ 178,077 | \$ 239,680 | \$ 221,690 | \$ 228,026 | \$ 260,003 |
| Contributions in Relation to the Actuarially Determined Contribution | 175,428 | 220,847 | 231,839 | 233,847 | 228,808 | 260,594 |
| Contribution Deficiency (Excess) | <u>\$ 2,649</u> | <u>\$ (42,770)</u> | <u>\$ 7,841</u> | <u>\$ (12,157)</u> | <u>\$ (782)</u> | <u>\$ (591)</u> |
| District's Covered Employee Payroll | \$ 5,900,977 | \$ 5,900,977 | \$ 7,253,891 | \$ 7,253,891 | \$ 7,994,900 | \$ 7,994,900 |
| Contributions as a Percentage of Covered Employee Payroll | 2.97% | 3.74% | 3.20% | 3.22% | 2.86% | 3.26% |

Notes to Schedule

Valuation Dated: July 1, 2020

Measurement Dated: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------|---|
| Actuary Cost Method: | Entry Age Normal |
| Amortization Method: | 17 Year Level Dollar |
| Asset Valuation Method: | Market Value |
| Discount Rate: | 3.50% |
| Inflation: | 2.50% |
| Healthcare Cost Trend Rates: | 6.50% decreasing 0.50% per year to 5.0%, and level thereafter |
| Salary Increases: | 3.00% |
| Plan Participation: | 100% of future retirees |
| Mortality: | Wisconsin 2018 Mortality Table |

See accompanying Notes to Required Supplementary Information.

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

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

Year

| | |
|------|-------|
| 2017 | 3.44% |
| 2018 | 3.45% |
| 2019 | 3.68% |
| 2020 | 3.42% |
| 2021 | 2.29% |
| 2022 | 2.27% |

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

BUDGETARY INFORMATION

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

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

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2022

| | Original Budgets | | | | Final Budgets | | | | Actuals | | | |
|--|------------------|----------------|-------------|--------------|---------------|----------------|-------------|--------------|--------------|----------------|-------------|--------------|
| | Fund 10 | Fund 27 | Elimination | Totals | Fund 10 | Fund 27 | Elimination | Totals | Fund 10 | Fund 27 | Elimination | Totals |
| | General | Special | Adjustments | | General | Special | Adjustments | | General | Special | Adjustments | |
| | Fund | Education Fund | | | Fund | Education Fund | | | Fund | Education Fund | | |
| REVENUES | | | | | | | | | | | | |
| Local Sources: | | | | | | | | | | | | |
| Property Taxes | \$ 9,002,469 | \$ - | \$ - | \$ 9,002,469 | \$ 9,002,469 | \$ - | \$ - | \$ 9,002,469 | \$ 9,002,469 | \$ - | \$ - | \$ 9,002,469 |
| Other Local Sources | 470,046 | - | - | 470,046 | 470,046 | - | - | 470,046 | 439,773 | - | - | 439,773 |
| Interdistrict Sources | 1,057,600 | - | - | 1,057,600 | 1,057,600 | - | - | 1,057,600 | 1,084,256 | - | - | 1,084,256 |
| Intermediate Sources | 119,097 | 1,675 | - | 120,772 | 119,097 | 1,675 | - | 120,772 | 127,158 | 4,601 | - | 131,759 |
| State Sources | 10,183,281 | 634,070 | - | 10,817,351 | 10,183,281 | 634,070 | - | 10,817,351 | 10,241,948 | 661,251 | - | 10,903,199 |
| Federal Sources | 1,805,769 | 442,449 | - | 2,248,218 | 1,805,769 | 442,449 | - | 2,248,218 | 1,229,877 | 552,954 | - | 1,782,831 |
| Other Sources | 66,125 | - | - | 66,125 | 66,125 | - | - | 66,125 | 43,299 | - | - | 43,299 |
| Total Revenues | 22,704,387 | 1,078,194 | - | 23,782,581 | 22,704,387 | 1,078,194 | - | 23,782,581 | 22,168,780 | 1,218,806 | - | 23,387,586 |
| EXPENDITURES | | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | | |
| Undifferentiated Curriculum | 4,412,257 | - | - | 4,412,257 | 4,412,257 | - | - | 4,412,257 | 4,552,481 | - | - | 4,552,481 |
| Regular Curriculum | 4,267,408 | - | - | 4,267,408 | 4,267,408 | - | - | 4,267,408 | 4,476,694 | - | - | 4,476,694 |
| Vocational Curriculum | 862,856 | - | - | 862,856 | 862,856 | - | - | 862,856 | 859,403 | - | - | 859,403 |
| Physical Curriculum | 438,505 | - | - | 438,505 | 438,505 | - | - | 438,505 | 506,068 | - | - | 506,068 |
| Special Education Curriculum | - | 2,067,014 | - | 2,067,014 | - | 2,067,014 | - | 2,067,014 | - | 2,152,186 | - | 2,152,186 |
| Co-Curricular Activities | 366,805 | - | - | 366,805 | 366,805 | - | - | 366,805 | 471,022 | - | - | 471,022 |
| Other Special Needs | 90,705 | - | - | 90,705 | 90,705 | - | - | 90,705 | 30,872 | 137 | - | 31,009 |
| Total Instruction | 10,438,536 | 2,067,014 | - | 12,505,550 | 10,438,536 | 2,067,014 | - | 12,505,550 | 10,896,540 | 2,152,323 | - | 13,048,863 |
| Support Services: | | | | | | | | | | | | |
| Pupil Services | 659,558 | 320,049 | - | 979,607 | 659,558 | 320,049 | - | 979,607 | 633,962 | 378,673 | - | 1,012,635 |
| Instructional Staff Services | 770,386 | 218,233 | - | 988,619 | 770,386 | 218,233 | - | 988,619 | 705,827 | 243,253 | - | 949,080 |
| General Administration | 763,917 | - | - | 763,917 | 763,917 | - | - | 763,917 | 904,050 | - | - | 904,050 |
| School Building Administration | 935,086 | - | - | 935,086 | 935,086 | - | - | 935,086 | 953,996 | - | - | 953,996 |
| Business Administration | 4,782,955 | 80,100 | - | 4,863,055 | 4,782,955 | 80,100 | - | 4,863,055 | 4,330,058 | 131,740 | - | 4,461,798 |
| Central Services | 79,252 | 470 | - | 79,722 | 79,252 | 470 | - | 79,722 | 71,972 | 720 | - | 72,692 |
| Insurance and Judgments | 218,550 | - | - | 218,550 | 218,550 | - | - | 218,550 | 220,817 | - | - | 220,817 |
| Debt Services | 330,000 | - | - | 330,000 | 330,000 | - | - | 330,000 | 99,831 | - | - | 99,831 |
| Other Support Services | 432,500 | - | - | 432,500 | 432,500 | - | - | 432,500 | 403,302 | - | - | 403,302 |
| Total Support Services | 8,972,204 | 618,852 | - | 9,591,056 | 8,972,204 | 618,852 | - | 9,591,056 | 8,323,815 | 754,386 | - | 9,078,201 |
| Non-Program: | | | | | | | | | | | | |
| Purchased Instructional Services | 1,598,090 | 71,000 | - | 1,669,090 | 1,598,090 | 71,000 | - | 1,669,090 | 1,423,174 | 11,772 | - | 1,434,946 |
| Other Non-Program | 385 | - | - | 385 | 385 | - | - | 385 | 15,617 | - | - | 15,617 |
| Total Non-Program | 1,598,475 | 71,000 | - | 1,669,475 | 1,598,475 | 71,000 | - | 1,669,475 | 1,438,791 | 11,772 | - | 1,450,563 |
| Total Expenditures | 21,009,215 | 2,756,866 | - | 23,766,081 | 21,009,215 | 2,756,866 | - | 23,766,081 | 20,659,146 | 2,918,481 | - | 23,577,627 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,695,172 | (1,678,672) | - | 16,500 | 1,695,172 | (1,678,672) | - | 16,500 | 1,509,634 | (1,699,675) | - | (190,041) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers In | - | 1,683,172 | (1,683,172) | - | - | 1,683,172 | (1,683,172) | - | - | 1,699,675 | (1,699,675) | - |
| Transfers Out | (1,683,172) | - | 1,683,172 | - | (1,683,172) | - | 1,683,172 | - | (1,699,675) | - | 1,699,675 | - |
| Total Other Financing Sources (Uses) | (1,683,172) | 1,683,172 | - | - | (1,683,172) | 1,683,172 | - | - | (1,699,675) | 1,699,675 | - | - |
| NET CHANGE IN FUND BALANCE | 12,000 | 4,500 | - | 16,500 | 12,000 | 4,500 | - | 16,500 | (190,041) | - | - | (190,041) |
| Fund Balances - Beginning of Year | 3,773,263 | - | - | 3,773,263 | 3,773,263 | - | - | 3,773,263 | 3,773,263 | - | - | 3,773,263 |
| Changes in Accounting Principle | - | - | - | - | - | - | - | - | - | - | - | - |
| Fund Balances - Beginning of Year (Restated) | 3,773,263 | - | - | 3,773,263 | 3,773,263 | - | - | 3,773,263 | 3,773,263 | - | - | 3,773,263 |
| FUND BALANCE - END OF YEAR | \$ 3,785,263 | \$ 4,500 | \$ - | \$ 3,789,763 | \$ 3,785,263 | \$ 4,500 | \$ - | \$ 3,789,763 | \$ 3,583,222 | \$ - | \$ - | \$ 3,583,222 |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | | Variance With Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 9,002,469 | \$ 9,002,469 | \$ 9,002,469 | \$ - |
| Other Local Sources | 470,046 | 470,046 | 439,773 | (30,273) |
| Interdistrict Sources | 1,057,600 | 1,057,600 | 1,084,256 | 26,656 |
| Intermediate Sources | 119,097 | 119,097 | 127,158 | 8,061 |
| State Sources | 10,183,281 | 10,183,281 | 10,241,948 | 58,667 |
| Federal Sources | 1,805,769 | 1,805,769 | 1,229,877 | (575,892) |
| Other Sources | 66,125 | 66,125 | 43,299 | (22,826) |
| Total Revenues | <u>22,704,387</u> | <u>22,704,387</u> | <u>22,168,780</u> | <u>(535,607)</u> |
| EXPENDITURES | | | | |
| Instruction: | | | | |
| Undifferentiated Curriculum | 4,412,257 | 4,412,257 | 4,552,481 | (140,224) |
| Regular Curriculum | 4,267,408 | 4,267,408 | 4,476,694 | (209,286) |
| Vocational Curriculum | 862,856 | 862,856 | 859,403 | 3,453 |
| Physical Curriculum | 438,505 | 438,505 | 506,068 | (67,563) |
| Co-Curricular Activities | 366,805 | 366,805 | 471,022 | (104,217) |
| Other Special Needs | 90,705 | 90,705 | 30,872 | 59,833 |
| Total Instruction | <u>10,438,536</u> | <u>10,438,536</u> | <u>10,896,540</u> | <u>(458,004)</u> |
| Support Services: | | | | |
| Pupil Services | 659,558 | 659,558 | 633,962 | 25,596 |
| Instructional Staff Services | 770,386 | 770,386 | 705,827 | 64,559 |
| General Administration | 763,917 | 763,917 | 904,050 | (140,133) |
| School Building Administration | 935,086 | 935,086 | 953,996 | (18,910) |
| Business Administration | 4,782,955 | 4,782,955 | 4,330,058 | 452,897 |
| Central Services | 79,252 | 79,252 | 71,972 | 7,280 |
| Insurance and Judgments | 218,550 | 218,550 | 220,817 | (2,267) |
| Debt Services | 330,000 | 330,000 | 99,831 | 230,169 |
| Other Support Services | 432,500 | 432,500 | 403,302 | 29,198 |
| Total Support Services | <u>8,972,204</u> | <u>8,972,204</u> | <u>8,323,815</u> | <u>648,389</u> |
| Non-Program: | | | | |
| Purchased Instructional Services | 1,598,090 | 1,598,090 | 1,423,174 | 174,916 |
| Other Non-Program | 385 | 385 | 15,617 | (15,232) |
| Total Non-Program | <u>1,598,475</u> | <u>1,598,475</u> | <u>1,438,791</u> | <u>159,684</u> |
| Total Expenditures | <u>21,009,215</u> | <u>21,009,215</u> | <u>20,659,146</u> | <u>350,069</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,695,172 | 1,695,172 | 1,509,634 | (185,538) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (1,683,172) | (1,683,172) | (1,699,675) | (16,503) |
| Total Other Financing Sources (Uses) | <u>(1,683,172)</u> | <u>(1,683,172)</u> | <u>(1,699,675)</u> | <u>(16,503)</u> |
| NET CHANGE IN FUND BALANCE | 12,000 | 12,000 | (190,041) | (202,041) |
| Fund Balances - Beginning of Year | <u>3,773,263</u> | <u>3,773,263</u> | <u>3,773,263</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 3,785,263</u> | <u>\$ 3,785,263</u> | <u>\$ 3,583,222</u> | <u>\$ (202,041)</u> |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | | Variance With Final Budget - Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Intermediate Sources | \$ 1,675 | \$ 1,675 | \$ 4,601 | \$ 2,926 |
| State Sources | 634,070 | 634,070 | 661,251 | 27,181 |
| Federal Sources | 442,449 | 442,449 | 552,954 | 110,505 |
| Total Revenues | <u>1,078,194</u> | <u>1,078,194</u> | <u>1,218,806</u> | <u>140,612</u> |
| EXPENDITURES | | | | |
| Instruction: | | | | |
| Special Education Curriculum | 2,067,014 | 2,067,014 | 2,152,186 | (85,172) |
| Other Special Needs | - | - | 137 | (137) |
| Total Instruction | <u>2,067,014</u> | <u>2,067,014</u> | <u>2,152,323</u> | <u>(85,309)</u> |
| Support Services: | | | | |
| Pupil Services | 320,049 | 320,049 | 378,673 | (58,624) |
| Instructional Staff Services | 218,233 | 218,233 | 243,253 | (25,020) |
| Business Administration | 80,100 | 80,100 | 131,740 | (51,640) |
| Central Services | 470 | 470 | 720 | (250) |
| Total Support Services | <u>618,852</u> | <u>618,852</u> | <u>754,386</u> | <u>(135,534)</u> |
| Non-Program: | | | | |
| Purchased Instructional Services | 71,000 | 71,000 | 11,772 | 59,228 |
| Total Non-Program | <u>71,000</u> | <u>71,000</u> | <u>11,772</u> | <u>59,228</u> |
| Total Expenditures | <u>2,756,866</u> | <u>2,756,866</u> | <u>2,918,481</u> | <u>(161,615)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,678,672) | (1,678,672) | (1,699,675) | (21,003) |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | 1,683,172 | 1,683,172 | 1,699,675 | 16,503 |
| NET CHANGE IN FUND BALANCE | 4,500 | 4,500 | - | (4,500) |
| Fund Balance - Beginning of Year | - | - | - | - |
| FUND BALANCE - END OF YEAR | <u>\$ 4,500</u> | <u>\$ 4,500</u> | <u>\$ -</u> | <u>\$ (4,500)</u> |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

| | Special Revenue Funds | | | | | Long-Term Capital Projects | Total Nonmajor Governmental Funds |
|--|-----------------------|-------------------|--------------------|-----------------|-------------------|----------------------------------|--|
| | Education Trust | Food Service | Community Services | | Day Care | | |
| | | | Adult Education | Theatre | | | |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 343,247 | \$ 208,139 | \$ 17,740 | \$ 5,204 | \$ 66,550 | \$ 97,540 | \$ 738,420 |
| Accounts Receivable | - | 4,595 | - | - | 79,131 | - | 83,726 |
| Prepays | - | 54,318 | - | - | - | - | 54,318 |
| Due from Other Governments | - | 452,881 | - | - | - | - | 452,881 |
| Total Assets | \$ 343,247 | \$ 719,933 | \$ 17,740 | \$ 5,204 | \$ 145,681 | \$ 97,540 | \$ 1,329,345 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ - | \$ 9,387 | \$ - | \$ - | \$ 52,414 | \$ - | \$ 61,801 |
| Due to Other Governmental Funds | - | - | 17,740 | - | 93,267 | - | 111,007 |
| Unearned Revenues | - | 36,324 | - | - | - | - | 36,324 |
| Total Liabilities | - | 45,711 | 17,740 | - | 145,681 | - | 209,132 |
| FUND BALANCES | | | | | | | |
| Restricted | 343,247 | 674,222 | - | 5,204 | - | 97,540 | 1,120,213 |
| Total Fund Balances | 343,247 | 674,222 | - | 5,204 | - | 97,540 | 1,120,213 |
| Total Liabilities and Fund Balances | \$ 343,247 | \$ 719,933 | \$ 17,740 | \$ 5,204 | \$ 145,681 | \$ 97,540 | \$ 1,329,345 |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

| | Special Revenue Funds | | | | | Long-Term Capital Projects | Total Nonmajor Governmental Funds |
|------------------------------------|-----------------------|-------------------|--------------------|-----------------|-----------------|----------------------------------|--|
| | Education Trust | Food Service | Community Services | | | | |
| | | | Adult Education | Theatre | Day Care | | |
| REVENUES | | | | | | | |
| Local Sources: | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ 92,000 | \$ - | \$ 12,000 | \$ - | \$ 104,000 |
| Other Local Sources | 210,321 | 79,952 | 67,846 | - | 655,371 | 15 | 1,013,505 |
| State Sources | - | 4,825 | - | - | 123,480 | - | 128,305 |
| Federal Sources | - | 1,508,260 | - | - | - | - | 1,508,260 |
| Other Sources | - | 103 | - | - | 1,900 | - | 2,003 |
| Total Revenues | <u>210,321</u> | <u>1,593,140</u> | <u>159,846</u> | <u>-</u> | <u>792,751</u> | <u>15</u> | <u>2,756,073</u> |
| EXPENDITURES | | | | | | | |
| Instruction: | | | | | | | |
| Regular Instruction | 218,636 | - | - | - | - | - | 218,636 |
| Support Services: | | | | | | | |
| General Administration | - | - | 77,664 | - | 83,481 | - | 161,145 |
| Operation and Maintenance of Plant | - | - | - | - | - | 83,085 | 83,085 |
| Food Service | - | 1,331,347 | - | - | - | - | 1,331,347 |
| Community Services | - | - | 64,442 | - | 643,819 | - | 708,261 |
| Total Expenditures | <u>218,636</u> | <u>1,331,347</u> | <u>142,106</u> | <u>-</u> | <u>727,300</u> | <u>83,085</u> | <u>2,502,474</u> |
| NET CHANGE IN FUND BALANCES | (8,315) | 261,793 | 17,740 | - | 65,451 | (83,070) | 253,599 |
| Fund Balances - Beginning of Year | <u>351,562</u> | <u>412,429</u> | <u>(17,740)</u> | <u>5,204</u> | <u>(65,451)</u> | <u>180,610</u> | <u>866,614</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 343,247</u> | <u>\$ 674,222</u> | <u>\$ -</u> | <u>\$ 5,204</u> | <u>\$ -</u> | <u>\$ 97,540</u> | <u>\$ 1,120,213</u> |

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DETAILED BALANCE SHEET – DEBT SERVICE FUND
JUNE 30, 2022**

| | <u>Referendum Debt Service</u> | <u>Non-Referendum Debt Service</u> | <u>Eliminating Adjustment</u> | <u>Total</u> |
|--|------------------------------------|--|-----------------------------------|-------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 366,988 | \$ 140,157 | \$ - | \$ 507,145 |
| LIABILITIES AND FUND BALANCES | | | | |
| FUND BALANCES | | | | |
| Restricted | <u>366,988</u> | <u>140,157</u> | <u>-</u> | <u>507,145</u> |
| Total Liabilities and Fund Balances | <u>\$ 366,988</u> | <u>\$ 140,157</u> | <u>\$ -</u> | <u>\$ 507,145</u> |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

| | <u>Referendum Debt Service</u> | <u>Non-Referendum Debt Service</u> | <u>Total</u> |
|--|------------------------------------|--|-------------------|
| REVENUES | | | |
| Local Sources: | | | |
| Property Taxes | \$ - | \$ 231,462 | \$ 231,462 |
| Total Revenues | <u>-</u> | <u>231,462</u> | <u>231,462</u> |
| EXPENDITURES | | | |
| Debt Service: | | | |
| Principal Retirement | - | 201,006 | 201,006 |
| Interest and Fiscal Fees | - | 27,522 | 27,522 |
| Total Expenditures | <u>789,635</u> | <u>228,528</u> | <u>1,018,163</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (789,635) | 2,934 | (786,701) |
| OTHER FINANCING SOURCES (USES) | | | |
| Long-Term Debt Issued | 41,150,000 | - | 41,150,000 |
| Premium on Debt Issued | 2,984,978 | - | 2,984,978 |
| Principal Payments on Refinanced Debt | (43,341,402) | - | (43,341,402) |
| Total Other Financing Sources (Uses) | <u>793,576</u> | <u>-</u> | <u>793,576</u> |
| NET CHANGE IN FUND BALANCES | 3,941 | 2,934 | 6,875 |
| Fund Balances - Beginning of Year | <u>363,047</u> | <u>137,223</u> | <u>500,270</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 366,988</u> | <u>\$ 140,157</u> | <u>\$ 507,145</u> |

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

| Federal Grantor/ Pass-Through Grantor/Program Title | Federal ALN | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued Receivable (Unearned Revenue) July 1, 2021 | Expenditures | Grant Reimburse- ments | Accrued Receivable (Unearned Revenue) June 30, 2022 |
|--|----------------|------------------------|--|---------------------------------------|--|--------------|------------------------------|---|
| U.S. Department of Agriculture | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | |
| School Breakfast Program | 10.553 | WI DPI | x 2022-480119-SB-Severe-546 | \$ - | \$ - | \$ 67,630 | \$ 49,038 | \$ 18,592 |
| COVID-19 - School Breakfast Program | 10.553 | WI DPI | x 2022-480119-SB-Severe-546 | - | - | 306,835 | 229,938 | 76,897 |
| Total School Breakfast Program | | | | - | - | 374,465 | 278,976 | 95,489 |
| National School Lunch Program: | | | | | | | | |
| National School Lunch Program | 10.555 | WI DPI | x 2022-480119-NSL-547 | - | - | 975,999 | 618,607 | 357,392 |
| COVID-19 - National School Lunch Program | 10.555 | WI DPI | x 2022-480119-NSL-547 | - | - | 29,129 | 29,129 | - |
| Non-Cash Commodities | 10.555 | WI DPI | x A001-00000-480119 | - | - | 93,484 | 93,484 | - |
| Total National School Lunch Program | | | | - | - | 1,098,612 | 741,220 | 357,392 |
| COVID-19 - Summer Food Service Program | 10.559 | WI DPI | x 2022-480119-SFSP-586 | - | 56,501 | 35,182 | 91,683 | - |
| Total Summer Food Service Program | | | | - | 56,501 | 35,182 | 91,683 | - |
| Total Child Nutrition Cluster | | | | - | 56,501 | 1,508,259 | 1,111,879 | 452,881 |
| Total Department of Agriculture | | | | - | 56,501 | 1,508,259 | 1,111,879 | 452,881 |
| Federal Communications Commission | | | | | | | | |
| COVID-19 - Emergency Connectivity Fund Program | 32.009 | Direct Aid | N/A | - | - | 298,540 | 298,540 | - |
| U.S. Department of Education | | | | | | | | |
| Title I: | | | | | | | | |
| Title I, Part A | 84.010 | WI DPI | 22-480119-Title I-141 | - | 8,347 | 184,636 | 192,983 | - |
| Total Title I Program | | | | - | 8,347 | 184,636 | 192,983 | - |
| Special Education Cluster: | | | | | | | | |
| Special Education Grants to States: | | | | | | | | |
| IDEA Flow Through | 84.027 | WI DPI | 2022-480119-IDEA-341 | - | 91,989 | 447,337 | 370,050 | 169,276 |
| Total Special Education Grants to States | | | | - | 91,989 | 447,337 | 370,050 | 169,276 |
| Special Education - Preschool Grants: | | | | | | | | |
| IDEA Preschool Entitlement | 84.173 | WI DPI | 2022-480119-Pre-S-347 | - | - | 20,529 | 7,976 | 12,553 |
| Total Special Education Cluster | | | | - | 91,989 | 467,866 | 378,026 | 181,829 |
| ESEA Homelessness Grant | 84.196a | CESA 11 | Not Available | - | 1,014 | - | 1,014 | - |
| ESEA Title II-A Teacher and Principal Training and Recruiting Fund | 84.367 | CESA 11 | 2022-480119-Title II-365 | - | - | 31,472 | 21,137 | 10,335 |
| ESEA Title IV-A Student Support and Academic Enrichment Grant | 84.424A | WI DPI | 2022-480119-Title II-365 | - | 7,484 | 13,050 | 18,901 | 1,633 |
| ESSER - Elementary and Secondary School Emergency Relief Funds | | | | | | | | |
| COVID-19 -CARES Act - General Education | 84.425D | WI DPI | 2022-480119-ESSERF | - | - | 105,697 | 84,963 | 20,734 |
| COVID-19 -CARES Act - General Education | 84.425D | WI DPI | 2022-480119-ESSERF | - | - | 123,480 | 123,480 | - |
| COVID-19 -CARES Act - General Education | 84.425D | WI DPI | 2022-480119-ESSERF | - | 203,000 | 348,331 | 551,331 | - |
| Total ESSER - Elementary and Secondary School Funds | | | | - | 203,000 | 577,508 | 759,774 | 20,734 |
| ARPA - ARP HCY | 84.427W | WI DPI | 2022-480119-ESSERF | - | - | 6,503 | - | 6,503 |
| Total Department of Education | | | | - | 311,834 | 1,281,035 | 1,371,835 | 221,034 |

X = Major Federal Award Program

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

| <u>Federal Grantor/ Pass-Through Grantor/Program Title</u> | <u>Federal ALN</u> | <u>Pass-Through Entity</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Passed Through to Subrecipients</u> | <u>Accrued Receivable (Unearned Revenue) July 1, 2021</u> | <u>Expenditures</u> | <u>Grant Reimburse- ments</u> | <u>Accrued Receivable (Unearned Revenue) June 30, 2022</u> |
|--|------------------------|--------------------------------|---|--|---|---------------------|---------------------------------------|--|
| <u>U.S. Department of Health and Human Services</u> | | | | | | | | |
| Medical Assistance Program (Medicaid Cluster): | | | | | | | | |
| Medical Assistance Program (School Based Services) | 93.778 | Direct | Not Available | \$ - | \$ - | \$ 97,246 | \$ 97,246 | \$ - |
| Total Medical Assistance Program (Medicaid Cluster) | | | | - | - | 97,246 | 97,246 | - |
| Total Department of Health and Human Services | | | | - | - | 97,246 | 97,246 | - |
| Total Federal Program Awards | | | | \$ - | \$ 368,335 | \$ 3,185,080 | \$ 2,879,500 | \$ 673,915 |

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022**

| Award Agency/ Pass-Through Agency/Award Description | State I.D. Number | Pass-Through Entity Identifying Number | Accrued Receivable (Deferred Revenue) July 1, 2021 | Expenditures | State Reimburse- ments | Receivable Accrued Receivable (Deferred Revenue) June 30, 2022 |
|--|-------------------------|--|--|-------------------|------------------------------|---|
| <u>Wisconsin Department of Public Instruction</u> | | | | | | |
| Cost Reimbursement Programs - Nonmajor: | | | | | | |
| Direct Grant: | | | | | | |
| Educator Effectiveness Grant | 255.940 | LEA-154 | \$ - | \$ 10,480 | \$ - | \$ 10,480 |
| Career and Technical Education Incentive Grant | 255.950 | LEA-152 | - | 45,572 | - | 45,572 |
| School Based Mental Health Services | 255.297 | LEA-297 | 95,807 | 66,826 | 95,807 | 66,826 |
| Cooperative Educational Service Agency No. 11: Youth Apprenticeship Grant | 445.107 | Not Available | 24,049 | 45,240 | 69,289 | - |
| Total Cost Reimbursement Programs | | | <u>\$ 119,856</u> | <u>\$ 168,118</u> | <u>165,096</u> | <u>\$ 122,878</u> |
| <u>Wisconsin Department of Public Instruction</u> | | | | | | |
| Entitlement Programs: | | | | | | |
| Major State Programs: | | | | | | |
| Handicapped Pupils and School Age Parents: Internal District Programs | 255.101 | LEA-100 | [1] | | 4,895 | |
| Participant in Package Program at CESA No. 11 Total Handicapped Program | | | | | <u>648,817</u> | |
| General Equalization | 255.201 | LEA-116 | | | 8,466,986 | |
| Per Pupil Adjustment Aid | 255.945 | LEA-113 | | | <u>1,107,064</u> | |
| Total Major Programs | | | | | <u>10,227,762</u> | |
| Nonmajor State Programs: | | | | | | |
| Common School Fund | 255.103 | LEA-104 | | | 71,440 | |
| Pupil Transportation | 255.107 | LEA-102 | | | 63,053 | |
| WI Morning Milk Program | 255.115 | LEA-115 | | | 4,825 | |
| Early College Credit Program | 255.445 | LEA-445 | | | 1,436 | |
| Achievement Gap Reduction | 255.504 | LEA-160 | | | 478,048 | |
| Assessment of Reading Readiness | 255.956 | LEA-165 | | | 5,771 | |
| Transition Grant | 255.960 | LEA-168 | | | <u>12,434</u> | |
| Total Nonmajor Programs | | | | | <u>637,007</u> | |
| Total State Financial Assistance | | | | | <u>\$ 11,029,865</u> | |

[1] District's 2021-22 Aidable Costs Reported to DPI Totaled \$2,438,757.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, which in certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Guidelines. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COSTS

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

NOTE 4 MEDICAL ASSISTANCE

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



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

Board of Education
School District of Amery
Amery, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Amery (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 8, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on 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 financial statements. 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*.

School District of Amery’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Hudson, Wisconsin
February 8, 2023



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

Board of Education
School District of Amery
Amery, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited School District of Amery's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District of Amery's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District of Amery's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of School District of Amery's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

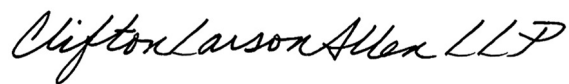
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Board of Education
School District of Amery

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



CliftonLarsonAllen LLP

Hudson, Wisconsin
February 8, 2023

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

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

Identification of Major State Projects

| CSFA Number(s) | Name of State Project |
|----------------|---|
| 255.101 | Handicapped Pupils and School Age Parents |
| 255.201 | General Equalization Aids |
| 255.945 | Per Pupil Adjustment Aid |

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 250,000

Other Issues

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

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

| | |
|------------------------------------|--|
| 4. Name and signature of Principal |  Brock Geyen, CPA |
| 5. Date of Report | February 8, 2023 |

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings – Federal Awards

2022 – 001 Limited Segregation of Duties

Type of Finding: Material Weakness in Internal Control over Financial Reporting

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

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

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

Cause: The condition is due to limited staff available.

Repeat finding: This is a repeat of the prior year finding 2021-001.

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

2022 – 002 Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

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

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

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

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

Repeat finding: This finding is a repeat of the prior year finding 2021-002.

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

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Financial Statement Findings – State Financial Assistance

None.



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