

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Annual Financial Report

June 30, 2022

 **KerberRose**

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WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wrightstown Community School District
Wrightstown, 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 Wrightstown Community School District (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 thereof 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 and the standards applicable to the 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.

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 generally accepted auditing standards 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.

To the Board of Education
Wrightstown Community School District

In performing an audit in accordance with generally accepted auditing standards 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 schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability and employer contributions – local retiree life insurance fund – cost-sharing plan, schedule of changes in total OPEB liability and related ratios – other post-employment benefits – single-employer plan, schedule of changes in total pension liability and related ratios – supplemental pension plan, schedule of revenues, expenditures and change in fund balance – budget and actual – general fund, and schedule of revenues, expenditures and change in fund balance – budget and actual – food service fund on pages 36 through 45 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

To the Board of Education
Wrightstown Community School District

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 combining balance sheet – nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by Wisconsin *State Single Audit Guidelines* and the Wisconsin Public School District Audit Manual, issued by the Wisconsin Department of Public Instruction and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 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.

KerberRose SC

KerberRose S.C.
Certified Public Accountants
Appleton, Wisconsin
November 21, 2022

FINANCIAL STATEMENTS

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

District-Wide Statement of Net Position

As of June 30, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 12,059,997
Receivables:	
Taxes	1,876,095
Accounts	2,429
Due from Other Governments	161,393
Total Current Assets	<u>14,099,914</u>
Noncurrent Assets	
Net Pension Asset	3,683,647
Land	447,800
Site Improvements	1,618,804
Buildings and Building Improvements	22,503,771
Furniture and Equipment	1,537,956
Construction in Progress	24,213,232
Less: Accumulated Depreciation	(11,769,494)
Total Noncurrent Assets	<u>42,235,716</u>
TOTAL ASSETS	<u>56,335,630</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	6,956,041
Deferred Outflows Related to Supplemental Pension	9,067
Deferred Outflows Related to Local Retiree Life Insurance Fund - Cost-Sharing Plan	183,093
Deferred Outflows Related to Other Post-Employment Benefits - Single-Employer Plan	281,685
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,429,886</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	370,658
Accrued Liabilities:	
Payroll, Payroll taxes, Insurance	66,157
Interest	192,667
Due to Other Governments	1,713
Unearned Revenue	34,668
Current Portion of Long-Term Obligations	1,350,605
Total Current Liabilities	<u>2,016,468</u>
Noncurrent Liabilities	
Noncurrent Portion of Long-Term Obligations	23,313,357
Supplemental Pension Liability	95,811
Other Postemployment Benefits - Single-Employer Liability	1,115,503
Other Postemployment Benefits - Cost Sharing Liability	451,008
Total Noncurrent Liabilities	<u>24,975,679</u>
TOTAL LIABILITIES	<u>26,992,147</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	8,675,397
Deferred Inflows Related to Supplemental Pension	90,047
Deferred Inflows Related to Local Retiree Life Insurance Fund - Cost-Sharing Plan	46,753
Deferred Inflows Related to Other Post-Employment Benefits - Single-Employer Plan	183,300
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,995,497</u>
NET POSITION	
Net Investment in Capital Assets	18,666,934
Restricted for:	
Donor Intentions	319,719
Capital Projects	949,106
Debt Service	241,255
Food Service	320,018
Pension	1,964,291
Unrestricted	5,316,549
TOTAL NET POSITION	<u>\$ 27,777,872</u>

See Accompanying Notes

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

District-Wide Statement of Activities

For the Year Ended June 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular Instruction	\$ 5,878,132	\$ 485,489	\$ 495,656	\$ (4,896,987)
Vocational Instruction	627,963	-	-	(627,963)
Physical Instruction	433,458	-	-	(433,458)
Special Instruction	1,010,123	-	704,468	(305,655)
Other Instruction	953,766	30,622	4,847	(918,297)
Total Instruction	8,903,442	516,111	1,204,971	(7,182,360)
Support Services				
Pupil Services	774,485	770	70,463	(703,252)
Instructional Staff Services	602,809	-	-	(602,809)
General Administration Services	504,445	-	-	(504,445)
School Building Administration Services	791,306	-	-	(791,306)
Business Administration	291,072	-	-	(291,072)
Operations and Maintenance of Plant	1,248,409	-	355,133	(893,276)
Pupil Transportation Services	621,903	-	31,851	(590,052)
Food Services	1,354,873	143,056	1,295,211	83,394
Central Services	42,552	-	-	(42,552)
Insurance	84,468	-	-	(84,468)
Other Support Services	589,223	-	-	(589,223)
Community Services	114,153	31,450	-	(82,703)
Interest and Fiscal Charges	665,168	-	-	(665,168)
Depreciation - Unallocated	547,367	-	-	(547,367)
Total Support Services	8,232,233	175,276	1,752,658	(6,304,299)
Non-Program Transactions				
Open Enrollment	569,470	-	-	(569,470)
Non-Open Enrollment	469,107	-	-	(469,107)
Total Non-Program Transactions	1,038,577	-	-	(1,038,577)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 18,174,252	\$ 691,387	\$ 2,957,629	(14,525,236)
GENERAL REVENUES				
Property Taxes:				
General Purposes				3,998,953
Debt Service				3,675,000
Community Service				150,000
State and Federal Aids not Restricted to Specific Functions:				
Equalization Aid				9,445,909
Per Pupil Aid				980,924
Exempt Computer Aid				55,110
Interest and Investment Earnings				6,607
Miscellaneous				91,551
Total General Revenues				18,404,054
CHANGE IN NET POSITION				3,878,818
NET POSITION - BEGINNING OF YEAR				23,899,054
NET POSITION - END OF YEAR				\$ 27,777,872

See Accompanying Notes

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
As of June 30, 2022

	<u>General</u>	<u>Referendum Debt Service</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Investments	\$ 4,745,848	\$ 433,922	\$ 4,725,804	\$ 453,202	\$ 1,701,221	\$ 12,059,997
Receivables:						
Taxes	1,876,095	-	-	-	-	1,876,095
Accounts	1,948	-	-	481	-	2,429
Due from Other Governments	161,393	-	-	-	-	161,393
TOTAL ASSETS	<u>\$ 6,785,284</u>	<u>\$ 433,922</u>	<u>\$ 4,725,804</u>	<u>\$ 453,683</u>	<u>\$ 1,701,221</u>	<u>\$ 14,099,914</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 271,257	\$ -	\$ -	\$ 98,997	\$ 404	\$ 370,658
Accrued Liabilities	66,157	-	-	-	-	66,157
Due to Other Governments	1,713	-	-	-	-	1,713
Unearned Revenue	-	-	-	34,668	-	34,668
Total Liabilities	<u>339,127</u>	<u>-</u>	<u>-</u>	<u>133,665</u>	<u>404</u>	<u>473,196</u>
Fund Balances						
Restricted:						
Donor Intentions	-	-	-	-	319,719	319,719
Debt Service	-	433,922	-	-	-	433,922
Food Service	-	-	-	320,018	-	320,018
Capital Projects	-	-	4,725,804	-	949,106	5,674,910
Committed:						
Community Service	-	-	-	-	431,992	431,992
Unassigned	6,446,157	-	-	-	-	6,446,157
Total Fund Balances	<u>6,446,157</u>	<u>433,922</u>	<u>4,725,804</u>	<u>320,018</u>	<u>1,700,817</u>	<u>13,626,718</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,785,284</u>	<u>\$ 433,922</u>	<u>\$ 4,725,804</u>	<u>\$ 453,683</u>	<u>\$ 1,701,221</u>	<u>\$ 14,099,914</u>

See Accompanying Notes

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position
As of June 30, 2022

Total Fund Balances - Governmental Funds \$ 13,626,718

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

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

Governmental Capital Asset	50,321,563	
Governmental Accumulated Depreciation	<u>(11,769,494)</u>	38,552,069

Net pension asset is not usable in the current period therefore not reported in the fund financial statements. 3,683,647

Some deferred outflows and inflows of resources reflect changes in long-term assets or liabilities and are not reported in the funds.

Deferred Outflows of Resources Related to Pension	6,956,041	
Deferred Inflows of Resources Related to Pension	(8,675,397)	
Deferred Outflows of Resources Related to Supplemental Pension	9,067	
Deferred Inflows of Resources Related to Supplemental Pension	(90,047)	
Deferred Outflows Related to Other Post-Employment Benefits - Single-Employer Plan	281,685	
Deferred Inflows Related to Other Post-Employment Benefits - Single-Employer Plan	(183,300)	
Deferred Outflows Related to Local Retiree Life Insurance Fund - Cost-Sharing Plan	183,093	
Deferred Inflows Related to Local Retiree Life Insurance Fund - Cost-Sharing Plan	<u>(46,753)</u>	(1,565,611)

Certain liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:

Long-Term Debt	(22,325,000)	
Premium on Long-Term Debt	(2,285,939)	
Accrued Interest on Bond Anticipation Notes	(192,667)	
Net OPEB Liability - Single-Employer Plan	(1,115,503)	
Net OPEB Liability - Cost-Sharing Plan	(451,008)	
Supplemental Pension	(95,811)	
Compensated Absences	<u>(53,023)</u>	<u>(26,518,951)</u>

Total Net Position - Governmental Activities \$ 27,777,872

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	Referendum Debt Service	Capital Projects	Food Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 3,998,953	\$ 3,675,000	\$ -	\$ -	\$ 150,000	\$ 7,823,953
Other Local Sources	57,131	510	-	143,055	31,450	232,146
Interdistrict Sources	484,559	-	-	-	-	484,559
Intermediate Sources	12,627	-	-	-	-	12,627
State Sources	10,954,400	-	-	44,954	-	10,999,354
Federal Sources	856,313	-	-	1,250,258	-	2,106,571
Other Sources	33,881	-	-	-	359,979	393,860
Total Revenues	<u>16,397,864</u>	<u>3,675,510</u>	<u>-</u>	<u>1,438,267</u>	<u>541,429</u>	<u>22,053,070</u>
EXPENDITURES						
Instruction						
Regular Instruction	6,276,537	-	-	-	-	6,276,537
Vocational Instruction	675,122	-	-	-	-	675,122
Physical Instruction	464,935	-	-	-	-	464,935
Special Instruction	1,090,164	-	-	-	-	1,090,164
Other Instruction	613,673	-	-	-	365,634	979,307
Total Instruction	<u>9,120,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,634</u>	<u>9,486,065</u>
Support Services						
Pupil Services	818,034	-	-	-	-	818,034
Instructional Staff Services	638,683	-	-	-	-	638,683
General Administration Services	486,116	-	25,389	-	565	512,070
School Building Administration Services	828,302	-	-	-	-	828,302
Business Services	310,783	-	-	-	-	310,783
Operations and Maintenance	1,422,019	-	21,534,573	-	-	22,956,592
Pupil Transportation	621,927	-	-	-	-	621,927
Food Services	-	-	-	1,382,542	-	1,382,542
Central Services	42,552	-	-	-	-	42,552
Insurance	84,468	-	-	-	-	84,468
Other Support Services	596,377	-	-	-	-	596,377
Community Services	-	-	-	-	118,903	118,903
Debt Service	-	-	-	-	-	-
Principal	-	1,105,000	-	-	-	1,105,000
Payent to Escrow Agent - In-Substance Defeasance	-	1,696,771	-	-	-	1,696,771
Interest and fiscal charges	-	895,977	-	-	-	895,977
Total Support Services	<u>5,849,261</u>	<u>3,697,748</u>	<u>21,559,962</u>	<u>1,382,542</u>	<u>119,468</u>	<u>32,608,981</u>
Non-Program Transactions						
General Tuition Payments	682,670	-	-	-	-	682,670
Non-Program Payments	53,104	-	-	-	-	53,104
Voucher Payments	274,013	-	-	-	-	274,013
Adjustments and Refunds	28,790	-	-	-	-	28,790
Total Non-Program Transactions	<u>1,038,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,577</u>
Total Expenditures	<u>16,008,269</u>	<u>3,697,748</u>	<u>21,559,962</u>	<u>1,382,542</u>	<u>485,102</u>	<u>43,133,623</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>389,595</u>	<u>(22,238)</u>	<u>(21,559,962)</u>	<u>55,725</u>	<u>56,327</u>	<u>(21,080,553)</u>
OTHER FINANCING SOURCE (USE)						
Transfer from Other Funds	-	-	-	-	368,282	368,282
Transfer to Other Funds	(368,282)	-	-	-	-	(368,282)
Total Other Financing Source (Use)	<u>(368,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,282</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>21,313</u>	<u>(22,238)</u>	<u>(21,559,962)</u>	<u>55,725</u>	<u>424,609</u>	<u>(21,080,553)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>6,424,844</u>	<u>456,160</u>	<u>26,285,766</u>	<u>264,293</u>	<u>1,276,208</u>	<u>34,707,271</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,446,157</u>	<u>\$ 433,922</u>	<u>\$ 4,725,804</u>	<u>\$ 320,018</u>	<u>\$ 1,700,817</u>	<u>\$ 13,626,718</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds to the District-Wide Statement of Activities
 For the Year Ended June 30, 2022

Net change in Fund Balances - Total Governmental Funds		\$ (21,080,553)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements	21,686,252	
Depreciation expense reported in the statement of activities	<u>(547,367)</u>	
Amount by which capital outlays are more than depreciation in the current period.		21,138,885
Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.		
Wisconsin Retirement Pension Plan	853,239	
Supplemental Pension Plan	<u>(32)</u>	853,207
Amounts related to the OPEB plan that affect the statement of activities but do not affect the fund financial statements.		
Other Post-Employment Benefits - Single-Employer Plan	(3,688)	
Local Retiree Life insurance Fund - Cost-Sharing Plan	<u>(62,731)</u>	(66,419)
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Compensated absences benefits paid in current year	9,470	
Compensated absences benefits earned in current year	<u>(8,352)</u>	
Amounts paid are more than amounts earned by		1,118
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 the long-term debt principal payments in the current year is:		
Bonds and notes payable		2,740,000
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	895,502	
The amount of interest accrued during the current period	<u>(871,855)</u>	
Interest paid is more than interest accrued by:		23,647
Governmental funds report debt premium/discount as other financing sources and uses. These are allocated over the period the debt is outstanding in the statement of activities and are reported as amortization expense.		
Bond premium		<u>268,933</u>
Change in Net Position - Governmental Activities		<u>\$ 3,878,818</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of Wrightstown Community School District (District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management who is responsible for the integrity and objectivity of the financial statements. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). These accounting policies conform to GAAP and have been consistently applied in the preparation of the financial statements. The more significant accounting policies established by GAAP and used by the District are discussed below.

Nature of Operations

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

The accompanying financial statements present the activities of Wrightstown Community School District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity consists of (a) organizations for which the stand alone government is financially accountable and (b) the stand alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand alone government.

District-Wide Financial Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses for each function or segment of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function or segment. Program revenues include (1) charges to students or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) operating grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

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

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, special revenue, debt service or capital projects based upon the following guidelines:

General Fund

The general fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital Project Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital expenditures.

Major Funds

The District reports 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 other funds.

Food Service Fund - This fund accounts for the activities associated with the District's hot lunch program.

Capital Projects Fund - This fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

Referendum Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities related to referendum debt.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Nonmajor Funds

The District reports the following nonmajor funds:

Student Activities and Other Donations Fund - This fund accounts for student activities and other donations that can be used for District operations.

Community Service Fund - This fund accounts for activities serving the community that are funded by property taxes and fees.

Long-Term Capital Improvement Fund - This fund accounts for proceeds from long-term borrowing and other resources to be used for long-term capital improvement projects.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

The district-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, including property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted resources 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.

Cash and Investments

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

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

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.

Property Taxes

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

Property taxes are recognized as revenue in the period for which the 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 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Accounts Receivable

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

Interfund Activity

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

In the district-wide statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at actual or estimated historical cost if actual cost is unavailable. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements using a threshold of \$10,000. All depreciable capital assets are depreciated on a straight-line basis over the following years:

Assets	Years
Site Improvements	20
Buildings and Improvements	20 - 50
Furniture and Equipment	5 - 20

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated lives.

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

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Principal payments decrease the long-term debt liability on the statement of net position and do not affect the statement of activities. Interest is reported as an expense on the statement of activities on an accrual basis.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal and interest payments are reported as debt service expenditures.

Unearned Revenues

The district-wide statement of net position and the governmental funds balance sheet report unearned revenues and therefore defer revenue recognition in connection with resources that have been received, but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced, as applicable, and income is recognized.

Compensated Absences

The District's policy allows employees to carry over sick leave payable to the employee if certain eligibility requirements are met. Sick leave is capped at 60 days, and employees balance is paid upon retirement at \$35 per day. Employees must meet the District's supplemental pension plan eligibility requirements, which is age 62 with 30 years of experience, including at least 15 years with a District to be eligible for payout. A liability for sick leave payable to the employees is accrued when incurred in the government-wide financial statements.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The deferred outflows related to the pension plans are explained in more detail in Notes 6 and 7. The deferred outflows related to the OPEB plans are explained in more detail in Notes 8 and 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The deferred inflows related to the pension plans are explained in more detail in Notes 6 and 7. The deferred inflows related to the OPEB plan are explained in more detail in Notes 8 and 9.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Pensions and Other Post-Employment Benefits

Wisconsin Retirement System. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and the District's supplemental pension plan and additions to/deductions from pension plans fiduciary net position have been determined on the same basis as they are reported by the pension plans. 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.

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

Other Post-Employment Benefits (OPEB) – Single Employer Plan. The District provides health care insurance coverage for employees who retire until they reach the age of 65. Eligible retired employees have access to group medical coverage through the District's group plans. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

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

Leases

The District Adopted GASB Statement No. 87 for the year ended June 30, 2022, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There were no material leases that were required to be recorded for the year ended June 30, 2022.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of the Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with available expendable financial resources are recorded during the year as expenditures in the appropriate governmental fund types. If they are not liquidated with available expendable financial resources, a liability is recorded in the statement of net position. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Equity Designations (Continued)

District-Wide Statements

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

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

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

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Board of Education is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Board of Education for a specific intended purpose. The District has delegated that authority to the Superintendent. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The District, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The District has not adopted a minimum fund balance policy.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from these estimates.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 2 - Cash and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, student activity funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

The District is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority
- Bonds or securities guaranteed by the U.S. Government
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options
- Repurchase agreements with public depositories, with certain conditions

Additional restrictions could arise from local charters, ordinances, resolutions and grant resolutions of the District. The District's cash and investments are subject to several types of risk, as explained in more detail below.

Custodial Credit Risk

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

At June 30, 2022 the bank balance of cash was \$2,772,210. The District maintains its cash accounts at one financial institution. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amounts of all interest and non-interest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The State Guarantee Fund has not been considered in the table below as insured deposits.

The following represents a summary of deposits as of June 30, 2022:

Fully Insured Deposits	\$	500,000
Collateralized		2,000,000
Uninsured and Uncollateralized		272,210
Total	\$	<u>2,772,210</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

For all deposits shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and the carrying value is due to outstanding checks and/or deposits in transit.

Interest Rate Risk

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

As of June 30, 2022, the District's investments were as follows:

	<u>Total</u>	<u>Less than One Year</u>	<u>One to Two Years</u>	<u>Three to Four Years</u>
WISC Investment Series	\$ 6,592,711	\$ 6,592,711	\$ -	\$ -

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$9,699,474 at year-end, consisting of \$6,592,711 invested in the Investment Series, \$1,283,017 invested in Cash Management Series and \$1,823,746 invested in Long Term Duration Series. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice. The average dollar weighted maturity is one hundred twenty days or less. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety days or less. The Limited Term Series investments feature a fixed rate of return and a fixed maturity date.

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations.

	<u>Amount</u>	<u>Exempt from</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
WISC Investment Series	\$ 6,592,711	\$ -	\$ -	\$ -	\$ 6,592,711

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Adjustments necessary to record investments at fair value are recorded as increases or decreases in investment income.

- Level 1 – Valuation for assets are from quoted prices in active markets. These valuations are obtained from readily available pricing sources from market transactions involving identical assets.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

- Level 2 – Valuation for assets are from less active markets. These valuations are obtained from third party pricing services for identical or similar assets.
- Level 3 – Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations. These valuations incorporate certain assumptions and projections in determining fair value assigned to such assets.

As of June 30, 2022, the District did not have any investments that were subject to fair value measurement.

Note 3 - Transfer

The interfund transfer between individual funds of the District, as reported in the fund financial statements for the year ended June 30, 2022, is detailed below:

<u>Fund Transferred To:</u>	<u>Fund Transferred From:</u>	<u>Amount</u>	<u>Purpose</u>
Long-Term Capital Projects Fund	General Fund	<u>\$ 368,282</u>	Future Capital Projects

Note 4 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Nondepreciable:				
Land	\$ 447,800	\$ -	\$ -	\$ 447,800
Construction in Progress	2,678,659	21,534,573		24,213,232
Total Capital Assets, Nondepreciable	<u>3,126,459</u>	<u>21,534,573</u>	<u>-</u>	<u>24,661,032</u>
Capital Assets, Depreciable				
Land Improvements	1,618,804	-	-	1,618,804
Buildings and Improvements	22,405,988	97,783	-	22,503,771
Machinery and Equipment	1,484,060	53,896	-	1,537,956
Total Capital Assets, Depreciable	<u>25,508,852</u>	<u>151,679</u>	<u>-</u>	<u>25,660,531</u>
Less Accumulated Depreciation for				
Land Improvements	(600,842)	(27,618)	-	(628,460)
Buildings and Improvements	(9,950,428)	(435,911)	-	(10,386,339)
Machinery and Equipment	(670,857)	(83,838)	-	(754,695)
Total Accumulated Depreciation	<u>(11,222,127)</u>	<u>(547,367)</u>	<u>-</u>	<u>(11,769,494)</u>
Total Capital Assets, Depreciable, Net	<u>14,286,725</u>	<u>(395,688)</u>	<u>-</u>	<u>13,891,037</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 17,413,184</u>	<u>\$ 21,138,885</u>	<u>\$ -</u>	<u>\$ 38,552,069</u>

Depreciation expense for fiscal year ended June 30, 2022 amounted to \$547,367 and was charged to support services as unallocated depreciation.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 5 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
General Obligations					
General Obligation Bonds	\$ 25,065,000	\$ -	\$ 2,740,000	\$ 22,325,000	\$ 1,310,000
Bond Premium	2,554,872	-	268,933	2,285,939	-
Compensated Absences	54,141	8,352	9,470	53,023	40,605
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,674,013</u>	<u>\$ 8,352</u>	<u>\$ 3,018,403</u>	<u>\$ 24,663,962</u>	<u>\$ 1,350,605</u>

Total interest paid for the year ended June 30, 2022 was \$895,502 for general obligation debt.

Debt Defeasance

The District used available financial resources of \$1,696,771 to retire \$1,635,000 of the July 2020 General Obligation Refunding Bonds, resulting in savings of \$620,956. The refunding bonds will be called on March 1, 2028.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2022 is comprised of the following.

	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balances 6/30/2022</u>
Governmental Activities Long-Term Obligations					
2020 GO Refunding Bonds	07/08/20	03/01/39	2.00-5.00%	\$26,520,000	<u>\$ 22,325,000</u>

The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$946,444,379. 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 follows:

Equalized valuation of the District	\$ 946,444,379
Statutory limitation percentage	10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>94,644,438</u>
Net outstanding general obligation debt applicable to debt limitation	21,698,411
Legal margin for new debt	<u>\$ 72,946,027</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 5 - Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2022, follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,310,000	\$ 792,368	\$ 2,102,368
2024	1,465,000	726,868	2,191,868
2025	1,540,000	653,616	2,193,616
2026	1,620,000	576,618	2,196,618
2027	1,700,000	495,618	2,195,618
2028-2032	7,645,000	1,381,736	9,026,736
2033-2037	5,605,000	552,574	6,157,574
2038-2039	1,440,000	40,685	1,480,685
Total	<u>\$ 22,325,000</u>	<u>\$ 5,220,083</u>	<u>\$ 27,545,083</u>

Note 6 - Defined Benefit Pension Plan

Wisconsin Retirement System

General Information About the Pension Plan

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

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 6 - Defined Benefit Pension Plan (Continued)

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

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	(7.0)%	(7)%
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

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

During the reporting period, the District paid \$526,949 in contributions to the WRS.

Contribution rates as of June 30, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.50%	6.50%

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2021

Note 6 - Defined Benefit Pension Plan (Continued)

Pension Liabilities (Assets), 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 \$3,683,647 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 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 0.04570178%, which was a decrease of 0.00029338% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized a reduction of pension expense of \$325,468.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 5,950,746	\$ 429,113
Changes in assumptions	687,242	-
Net differences between projected and actual earnings on pension plan investments	-	8,240,626
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,168	5,658
Employer contributions subsequent to the measurement date	315,885	-
Total	<u>\$ 6,956,041</u>	<u>\$ 8,675,397</u>

The \$315,885 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (174,729)
2024	(999,879)
2025	(439,613)
2026	(421,020)
	<u>\$ (2,035,241)</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 6 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2020 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:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 prior year, including the discount rate, long-term expected rate of return, post-retirement 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.

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:

**Asset Allocation Targets and Expected Returns¹
As of December 31, 2021**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115% *	6.6%	4.0%
Variable Fund Asset Class			
U.S. Equities	70%	6.3%	4.1%
International Equities	30	7.2	4.9
Total Variable Fund	100%	6.8%	4.6%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The 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%.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 6 - Defined Benefit Pension Plans (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 6.80% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
District’s Proportionate Share of the Net Pension Liability (Asset)	\$ 2,613,809	\$ (3,683,647)	\$ (8,216,644)

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>.

Payables to the Pension Plan. The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. There was no amount due to WRS for pension benefits as of June 30, 2022.

Note 7 - Supplemental Pension Plan

In addition to the pension benefits described in Note 6, the District has early retirement provisions for certain employees.

Plan Description. The District provides a single-employer defined benefit pension (stipend) plan to eligible employees, until Medicare-eligibility. The plan does not issue separate financial statements. As of June 30, 2020 (the valuation and measurement date), there are 94 active employees. To meet the eligibility requirements employees must be a professional staff, be age 62 with fifteen full-time years with the District and a minimum of thirty overall years of professional service. The benefits provided are \$7,900 annually upon retirement until reaching Medicare eligibility.

Funding Policy. Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding of all pension benefits. The employer makes all contributions.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 7 - Supplemental Pension Plan (Continued)

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

At June 30, 2022, the District reported a total pension liability of \$95,811 which was measured as of June 30, 2021 as determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2022.

For the plan year ended June 30, 2022, the District recognized pension expense of \$32.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between pension plan - projected and actual experiences	\$ -	\$ 29,333
Changes in assumptions	9,067	60,714
Total	<u>\$ 9,067</u>	<u>\$ 90,047</u>

Other amounts reported as deferred outflows and inflows related to the supplemental pension will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (8,164)
2024	(8,164)
2025	(8,164)
2026	(8,164)
2027	(8,164)
Thereafter	(40,160)
	<u>\$ (80,980)</u>

The change in the total pension liability for the year is as follows:

Total Pension Liability - Beginning of Year	<u>\$ 87,615</u>
Changes for the Year:	
Service Cost	6,155
Interest	2,041
Net Changes	<u>8,196</u>
Total Pension Liability - End of Year	<u>\$ 95,811</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 7 - Supplemental Pension Plan (Continued)

Actuarial Valuation Methods and Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Reporting Date:	June 30, 2022
Actuarial Cost Method	Entry-Age Normal (level percent of salary)
Discount Rate:	2.25% (based upon all years of projected payments discounted at a municipal bond rate of 2.25%)
Municipal Bond Rate Source:	Bond Buyer 20-Bond Go Index
Actuarial Assumptions:	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17
Mortality Assumptions:	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

Sensitivity of the District's Total Pension Liability to Changes in the Discount Rate

The following presents the District's total pension liability calculated using the discount rate of 2.25 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total Pension Liability	<u>\$ 103,256</u>	<u>\$ 95,811</u>	<u>\$ 88,742</u>

Payable to the Supplemental Pension Plan

At June 30, 2021, the District reported no amount for outstanding contributions to the Plan as of June 30, 2022.

Note 8 - Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan

Plan Description. The District operates a single-employer retiree benefit plan that provides post-employment benefits to all eligible employees who retire until they reach the age of 65. Eligible retired employees have access to group medical coverage through the District's group plans. No assets are accumulated in a trust. Separate financial statements are not issued.

Benefits Provided. The Plan provides post-employment health benefits to eligible employees and their spouses and dental benefits to eligible employees. This plan is described below.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 8 - Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)

Certified Teaching Staff. The District provides post-employment health and dental benefits to any teachers who have reached the age of 55 and taught at least 15 years in the District and have a minimum of 30 years of overall professional service. These early retirees receive contributions equal to the amount of 100% of the single or family medical premium and 100% of single dental premium frozen at the rates in effect at the time of retirement. The District's contributions shall remain frozen at this amount until Medicare eligibility.

Effective July 1, 2011, certified teaching staff are not eligible for a District-provided post-employment benefits upon their retirement. The change eliminated this benefit for all retirees who retiree on or after July 1, 2011. The employs that retired prior to July 1, 2011 will continue to receive this benefit. Since no new retirees will receive this benefit, this benefit will end when all the current participants reach age 65.

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

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	12
	<u>17</u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation roll forward to June 30, 2022.

Actuarial assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.00%
Salary increases:	3.00%
Investment rate of return:	2.25%
Healthcare cost trend rates:	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020-June 30, 2021.

Discount Rate. The discount rate used to measure the total OPEB liability was 2.25 percent as of the actuarial valuation date of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from the District will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

As of the measurement date of June 30, 2021, the discount rate was changed to 2.25 percent to be reflective of a 20-year municipal bond rate since assets are held solely as cash and cash equivalents.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 8 - Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balances at 6/30/21	\$ 1,117,509
Changes for the year:	
Service Cost	49,112
Interest	24,842
Benefit Payments	(75,960)
Net Changes	(2,006)
Balances at 6/30/22	\$ 1,115,503

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the District's total OPEB liability calculated using the discount rate of 2.25 percent, as well as what the total OPEB liability was be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate.

	1% Decrease	Current	1% Increase
	(1.25%)	Discount Rate	(3.25%)
		(2.25%)	
Total OPEB Liability	\$ 1,169,597	\$ 1,115,503	\$ 1,062,762

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the District's total OPEB liability calculated using the current healthcare cost trend rate of 6.50 percent decreasing to 5.00 percent, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent decreasing to 6.0 percent) than the current rate.

	1% Decrease	Healthcare	1% Increase
	(5.50%	Cost Trend	(7.50%
	decreasing to	Rates (6.50%	decreasing to
	4.0%)	decreasing to	6.0%)
		5.0%)	
Total OPEB Liability	\$ 1,038,752	\$ 1,115,503	\$ 1,201,981

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 8 - Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$72,409. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following source:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 175,595	\$ 116,698
Changes in assumptions	37,369	66,602
Employer contributions subsequent to the measurement date	<u>68,721</u>	<u>-</u>
Total	<u><u>\$ 281,685</u></u>	<u><u>\$ 183,300</u></u>

The \$68,721 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (1,545)
2024	(1,545)
2025	(1,545)
2026	(1,545)
2027	(1,545)
Thereafter	<u>37,389</u>
	<u><u>\$ 29,664</u></u>

Note 9 - Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

General Information About the Other Post-Employment Benefits Plan

Plan Description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 9 - Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

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

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

Contribution rates as of June 30, 2022 are:

<u>Coverage Type</u>	<u>Employee</u>
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are as listed below:

**Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2021**

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

** Disabled members under age 70 receive a waiver-of-premium benefit.*

During the reporting period, the LRLIF recognized \$1,589 in contributions from the employer.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 9 - Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

At June 30, 2022, the District reported a liability of \$451,008 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 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 OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.07630800%, which was an increase of 0.00459600% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$63,764

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between projected and actual experiences	\$ -	\$ 22,942
Changes in assumptions	136,265	21,861
Net differences between projected and actual earnings on plan investments	5,868	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,179	1,950
Employer contributions subsequent to the measurement date	<u>781</u>	<u>-</u>
Total	<u>\$ 183,093</u>	<u>\$ 46,753</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 9 - Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

The \$781 reported as deferred outflows related to OPEB resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 29,810
2024	29,129
2025	26,325
2026	30,872
2027	16,739
Thereafter	2,684
	<u>\$ 135,559</u>

Actuarial Assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability:	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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 OPEB liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2022

Note 9 - Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5	1.82
U.S. Mortgages	Bloomberg U.S. MBS	50	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate. A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.17 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
District's Proportionate Share of the Net OPEB Liability	<u>\$ 611,856</u>	<u>\$ 451,008</u>	<u>\$ 329,977</u>

Payables to the OPEB Plan. The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The District reported no outstanding amount due to WRS for Life Insurance Benefits as of June 30, 2022.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 10 - Fund Equity

Net position reported on the district-wide statement of net position at June 30, 2022 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 38,552,069
Less: Related Long-Term Debt Outstanding	
Long-Term Debt	(22,325,000)
Debt Premium	(2,285,939)
Plus: Unspent Debt Proceeds	4,725,804
Net Investment in Capital Assets	<u>18,666,934</u>
Restricted for	
Pension	1,964,291
Future Debt Service	241,255
Capital Projects	949,106
Food Service	320,018
Donor Intentions	319,719
Total Restricted	<u>3,794,389</u>
Unrestricted	<u>5,316,549</u>
Total District-Wide Net Position	<u>\$ 27,777,872</u>

Note 11 - Limitation on School District Revenues

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

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

Note 12 - Contingencies

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

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2022, are not likely to have a material adverse impact on the District's financial position.

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and natural disasters. The District insures through commercial insurance companies for all risks of loss. Settled claims from these risks have not exceeded insurance coverage in the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)
Last 10 Fiscal Years*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Asset/Liability	District's Proportionate Share of the Net Pension (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2021	0.04570178%	\$ (3,683,647)	\$ 7,837,520	47.00%	106.02%
12/31/2020	0.04599516%	(2,871,541)	7,633,792	37.62%	105.26%
12/31/2019	0.04641843%	(1,496,742)	7,363,175	20.33%	102.96%
12/31/2018	0.04679937%	1,664,974	7,118,090	23.39%	96.45%
12/31/2017	0.04648109%	(1,380,078)	6,977,773	19.78%	102.93%
12/31/2016	0.04521311%	372,664	6,815,123	5.47%	99.12%
12/31/2015	0.04465634%	725,657	6,436,110	11.27%	98.20%
12/31/2014	0.04679937%	(1,096,251)	6,052,786	18.11%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

District Year End Date	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	\$ 526,949	\$ 526,949	\$ -	\$ 7,986,621	6.60%
6/30/2021	525,551	525,551	-	7,785,876	6.75%
6/30/2020	507,711	507,711	-	7,581,207	6.70%
6/30/2019	477,382	477,382	-	7,223,664	6.61%
6/30/2018	573,541	573,541	-	5,906,829	9.71%
6/30/2017	564,471	564,471	-	5,815,795	9.71%
6/30/2016	476,592	476,592	-	5,721,311	8.33%
6/30/2015	453,915	453,915	-	5,405,588	8.40%

*Ten years of information will be accumulated and presented beginning with the Districts fiscal year ended June 30, 2015.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Employer's Proportionate Share of the Net OPEB Liability
Other Post-Employment Benefits - Cost-Sharing Plan
Last Ten Fiscal Years*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability
12/31/2021	0.07630800%	\$ 451,008	\$ 5,054,000	8.92%	29.57%
12/31/2020	0.07171200%	394,468	4,780,000	8.25%	36.36%
12/31/2019	0.06321100%	269,165	4,451,000	6.05%	37.58%
12/31/2018	0.06271400%	161,823	3,854,000	4.20%	48.69%
12/31/2017	0.64338000%	193,566	2,705,597	7.15%	44.81%

Schedule of Employer Contributions
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan
Last Ten Fiscal Years*

District Year End Date	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	\$ 1,589	\$ 1,589	\$ -	\$ 4,877,000	0.03%
6/30/2021	1,429	1,429	-	4,856,000	0.03%
6/30/2020	1,369	1,369	-	4,546,000	0.03%
6/30/2019	1,225	1,225	-	3,803,000	0.03%
6/30/2018	1,234	1,234	-	3,861,000	0.03%

*Ten years of data will be accumulated beginning with 2018.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Total Pension Liability and Related Ratios
Supplemental Pension Plan
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability						
Service Cost	\$ 6,155	\$ 5,176	\$ 4,780	\$ 12,277	\$ 13,268	\$ 13,268
Interest	2,041	3,006	2,866	5,866	4,931	4,631
Changes of Benefit Terms	-	(588)	-	-	-	-
Difference Between Expected and Actual Experience	-	(12,362)	-	(26,233)	-	-
Changes of Assumptions or Other Input	-	9,084	1,629	(79,349)	(6,557)	-
Benefit Payments	-	-	-	-	(15,800)	-
Net Changes	<u>8,196</u>	<u>4,316</u>	<u>9,275</u>	<u>(87,439)</u>	<u>(4,158)</u>	<u>17,899</u>
Total Supplemental Pension Liability - Beginning of Year	<u>87,615</u>	<u>83,299</u>	<u>74,024</u>	<u>161,463</u>	<u>165,621</u>	<u>147,722</u>
Total Supplemental Pension Liability - End of Year	<u>\$ 95,811</u>	<u>\$ 87,615</u>	<u>\$ 83,299</u>	<u>\$ 74,024</u>	<u>\$ 161,463</u>	<u>\$ 165,621</u>
Covered Employee Payroll	<u>\$ 5,344,759</u>	<u>\$ 5,344,759</u>	<u>\$ 5,124,227</u>	<u>\$ 5,124,227</u>	<u>\$ 5,722,706</u>	<u>\$ 5,682,341</u>
Total Pension Liability as a Percentage of Covered Employee Payroll	1.79%	1.64%	1.63%	1.44%	2.82%	2.91%

*Ten years of data will be accumulated beginning in 2016

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Post-Employment Benefits - Single Employer Plan
Last 10 Measurement Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service Cost	\$ 49,112	\$ 33,865	\$ 31,487	\$ 50,701	\$ 50,701
Interest	24,842	25,774	29,094	38,979	41,381
Changes of Benefit Terms	-	136,182	-	-	-
Differences Between Expected and Actual Experience	-	210,715	-	(175,050)	-
Changes of Assumptions or Other Input	-	37,018	8,693	(99,906)	-
Benefit Payments	(75,960)	(91,003)	(128,818)	(157,111)	(164,288)
Net Change in Total OPEB Liability	<u>(2,006)</u>	<u>352,551</u>	<u>(59,544)</u>	<u>(342,387)</u>	<u>(72,206)</u>
Total OPEB Liability - Beginning	<u>1,117,509</u>	<u>764,958</u>	<u>824,502</u>	<u>1,166,889</u>	<u>1,239,095</u>
Total OPEB Liability - Ending	<u>\$ 1,115,503</u>	<u>\$ 1,117,509</u>	<u>\$ 764,958</u>	<u>\$ 824,502</u>	<u>\$ 1,166,889</u>
Covered-Employee Payroll	\$ 7,016,617	\$ 7,016,617	\$ 6,516,721	\$ 6,516,721	\$ 5,722,706
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	15.90%	15.93%	11.74%	12.65%	20.39%

*Ten years of data will be accumulated beginning with 2017.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Original and Final Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ 4,001,111	\$ 3,998,953	\$ (2,158)
Other Local Sources	37,092	57,131	20,039
Interdistrict Sources	497,729	483,763	(13,966)
State Sources	10,712,736	10,623,255	(89,481)
Federal Sources	117,528	496,414	378,886
Other Sources	1,000	33,881	32,881
Total Revenues	15,367,196	15,693,397	326,201
EXPENDITURES			
Instruction			
Regular Instruction	6,239,071	6,276,537	(37,466)
Vocational Instruction	693,033	675,122	17,911
Physical Instruction	469,315	464,935	4,380
Other Instruction	753,882	613,673	140,209
Total Instruction	8,155,301	8,030,267	125,034
Support Services			
Pupil Services	592,414	547,718	44,696
Instructional Staff Services	339,271	455,087	(115,816)
General Administration Services	507,644	486,116	21,528
School Building Administration Services	814,131	828,302	(14,171)
Business Administration	260,320	259,389	931
Operations and Maintenance	1,420,686	1,422,019	(1,333)
Pupil Transportation	613,070	604,437	8,633
Central Services	39,750	42,552	(2,802)
Insurance	99,020	84,468	14,552
Other Support Services	516,576	596,377	(79,801)
Total Support Services	5,202,882	5,326,465	(123,583)
Non-Program Transactions			
Open Enrollment	540,399	569,470	(29,071)
Other Non-Program Transactions	75,000	53,104	21,896
Voucher Payments	301,225	274,013	27,212
Adjustments and Refunds	1,000	28,790	(27,790)
Total Non-Program Transactions	917,624	925,377	(7,753)
Total Expenditures	14,275,807	14,282,109	(6,302)
EXCESS OF REVENUES OVER EXPENDITURES	1,091,389	1,411,288	319,899
OTHER FINANCING USES			
Transfer to Long-Term Capital Improvement Fund	(25,000)	(368,282)	(343,282)
Transfer to Special Education Fund	(1,066,389)	(1,021,693)	44,696
Total Other Financing Uses	(1,091,389)	(1,389,975)	(298,586)
NET CHANGE IN FUND BALANCE	-	21,313	21,313
FUND BALANCE - BEGINNING OF YEAR	6,424,844	6,424,844	-
FUND BALANCE - END OF YEAR	\$ 6,424,844	\$ 6,446,157	\$ 21,313

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2022

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES			
Other Local Sources	\$ 117,500	\$ 143,055	\$ 25,555
State Sources	13,000	44,954	31,954
Federal Sources	940,000	1,250,258	310,258
Total Revenues	<u>1,070,500</u>	<u>1,438,267</u>	<u>367,767</u>
EXPENDITURES			
Support Services:			
Food Service Operations	1,070,500	1,382,542	(312,042)
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>55,725</u>	<u>55,725</u>
FUND BALANCE - BEGINNING OF YEAR	<u>264,293</u>	<u>264,293</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 264,293</u>	<u>\$ 320,018</u>	<u>\$ 55,725</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Required Supplementary Information

For the Year Ended June 30, 2022

Budgets and Budgetary Accounting

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit subfunction level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

The District follows these procedures in establishing the budgetary data:

- a. Based upon requests from District staff, district administration recommends budget proposals to the Board of Education.
- b. The Board reviews a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the Board may make alterations to the proposed budget.
- d. Once the Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations, unless authorized by a 2/3 vote of the entire Board.
- e. Appropriations lapse at year-end unless authorized as a carryover by the Board. The portion of fund balance representing carryover appropriations is reported as committed or assigned fund balance.

Basis of Accounting

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes, the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

Excess of Actual Expenditures over Budget in Individual Fund

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2022:

Individual Function	Excess Expenditures
General Fund	
Regular Instruction	\$ 37,466
Instructional Staff Services	115,816
School Building Administration Services	14,171
Operations and Maintenance	1,333
Central Services	2,802
Open Enrollment	29,071
Adjustments and Refunds	27,790
Other Support Services	79,801
Food Service Fund	
Food Service Operations	312,042

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2022

Budget-to-Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Source" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 15,693,397
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	704,467
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	\$ 16,397,864
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Uses" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 15,672,084
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	1,726,160
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	(1,021,693)
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 16,376,551

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2022

Defined Benefit Pension Plan

Changes of benefit terms. There were no changes in 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 post-retirement 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-ended 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 post-retirement 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

Supplemental Pension Plan

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

Changes of assumptions. The change in assumptions is as follows:

	Fiscal Year End				
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Discount Rate	2.25%	2.25%	3.50%	3.75%	3.50%

Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan

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

Changes of assumptions. The change in assumptions is as follows:

	Fiscal Year End				
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Discount Rate	2.25%	2.25%	3.50%	3.75%	3.50%

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2022

Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

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

Changes of assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SUPPLEMENTARY INFORMATION

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2022

	Special Revenue		Capital	Total Nonmajor Governmental Funds
	Student Activites and Other Donations	Community Service	Long-term Capital Improvement	
ASSETS				
Cash and Investments	\$ 319,719	\$ 432,396	\$ 949,106	\$ 1,701,221
LIABILITIES				
Accounts Payable	\$ -	\$ 404	\$ -	\$ 404
FUND BALANCES				
Restricted	319,719	-	949,106	1,268,825
Committed	-	431,992	-	431,992
Total Fund Balances	<u>319,719</u>	<u>431,992</u>	<u>949,106</u>	<u>1,700,817</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 319,719</u>	<u>\$ 432,396</u>	<u>\$ 949,106</u>	<u>\$ 1,701,221</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Student Activities and Other Donations</u>	<u>Community Service</u>	<u>Long-term Capital Improvement</u>	
REVENUES				
Property Taxes	\$ -	\$ 150,000	\$ -	\$ 150,000
Other Local Sources	-	31,450	-	31,450
Other Sources	359,979	-	-	359,979
Total Revenues	<u>359,979</u>	<u>181,450</u>	<u>-</u>	<u>541,429</u>
EXPENDITURES				
Instruction:				
Other Instruction	365,634	-	-	365,634
Support Services:				
Community Services	-	118,903	-	118,903
Total Expenditures	<u>365,634</u>	<u>118,903</u>	<u>565</u>	<u>485,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,655)</u>	<u>62,547</u>	<u>(565)</u>	<u>56,327</u>
OTHER FINANCING SOURCE				
Transfer from General Fund	-	-	368,282	368,282
NET CHANGES IN FUND BALANCES	(5,655)	62,547	367,717	424,609
FUND BALANCES - BEGINNING OF YEAR	<u>325,374</u>	<u>369,445</u>	<u>581,389</u>	<u>1,276,208</u>
FUND BALANCES - END OF YEAR	<u>\$ 319,719</u>	<u>\$ 431,992</u>	<u>\$ 949,106</u>	<u>\$ 1,700,817</u>

ADDITIONAL REPORTS

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

To the Board of Education
Wrightstown Community School District
Wrightstown, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wrightstown Community School District (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 November 21, 2022.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be a significant deficiency.

To the Board of Education
Wrightstown Community School District

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*.

Wrightstown Community School District 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 other 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KerberRose SC

KerberRose S.C.
Certified Public Accountants
Appleton, Wisconsin
November 21, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE, STATE SINGLE AUDIT GUIDELINES AND THE WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

To the School Board
Wrightstown Community School District
Wrightstown, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *State Single Audit Guidelines* and *Wisconsin Public School District Audit Manual*. Our responsibilities under those standards, the Uniform Guidance, *State Single Audit Guidelines* and *Wisconsin Public School District Audit Manual* 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.

To the School Board
Wrightstown Community School District

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 generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, *State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual* 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 generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, *State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual*, 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 the District'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 the District'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, *State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

To the School Board
Wrightstown Community School District

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, *State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual*. Accordingly, this report is not suitable for any other purpose.

KerberRose SC

KerberRose S.C.
Certified Public Accountants
Appleton, Wisconsin
November 21, 2022

FEDERAL AND STATE AWARDS SECTION

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2021	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2022	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>CHILD NUTRITION CLUSTER</i>								
School Breakfast Program	10.553	WI DPI	2021-056734-DPI-SB-546	\$ (30,299)	\$ 30,299	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2020-056734-DPI-SB-546	-	276,434	-	276,434	-
<i>Total School Breakfast Program</i>				<u>(30,299)</u>	<u>306,733</u>	<u>-</u>	<u>276,434</u>	<u>-</u>
National School Lunch Program	10.555	WI DPI	2021-056734-DPI-NSL-547	(67,512)	67,512	-	-	-
National School Lunch Program	10.555	WI DPI	2022-056734-DPI-NSL-547	-	846,686	-	846,686	-
Donated Commodities 2020-21	10.555	WI DPI	2022-056734-DPI-NSL-547	-	69,769	-	69,769	-
<i>Total National School Lunch Program</i>				<u>(67,512)</u>	<u>983,967</u>	<u>-</u>	<u>916,455</u>	<u>-</u>
Total Child Nutrition Cluster				<u>(97,811)</u>	<u>1,290,700</u>	<u>-</u>	<u>1,192,889</u>	<u>-</u>
Child and Adult Care Food Program	10.558	WI DPI	2022-056734-DPI-ADC-551	-	57,369	-	57,369	-
Total U.S. Department of Agriculture				<u>(97,811)</u>	<u>1,348,069</u>	<u>-</u>	<u>1,250,258</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2021-056734-DPI-TIA-141	(2,088)	2,088	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2022-056734-DPI-TIA-141	-	75,108	6,013	81,121	-
<i>Total Title I Grants to Local Educational Agencies</i>				<u>(2,088)</u>	<u>77,196</u>	<u>6,013</u>	<u>81,121</u>	<u>-</u>
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2022-056734-DPI-FLOW-341	-	268,141	6,823	274,964	-
Special Education Grants to States - ARPA	84.027	WI DPI	2022-056734-DPI-FLOW-344	-	61,858	-	61,858	-
Special Education Preschool Grants	84.173	WI DPI	2022-056734-DPI-PRESCH-346	-	5,092	-	5,092	-
Special Education Preschool Grants	84.173	WI DPI	2022-056734-DPI-PRESCH-347	-	1	-	1	-
<i>Total Special Education Cluster</i>				<u>-</u>	<u>335,092</u>	<u>6,823</u>	<u>341,915</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2021-056734-DPI-CTE-400	(5,115)	5,115	-	-	-
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2022-056734-DPI-CTE-400	-	-	6,252	6,252	-
English Language Acquisition State Grants	84.365	WI DPI	2021-056734-DPI-TIIIA-391	(8,202)	8,202	-	-	-
English Language Acquisition State Grants	84.365	WI DPI	2022-056734-DPI-TIIIA-391	-	36,565	-	36,565	-
Improving Teacher Quality State Grants	84.367	WI DPI	2021-056734-DPI-TIIA-365	(600)	600	-	-	-
Improving Teacher Quality State Grants	84.367	WI DPI	2022-056734-DPI-TIIA-365	-	22,695	6,725	29,420	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2021-056734-DPI-TIVA-381	(200)	200	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2022-056734-DPI-TIVA-381	-	10,336	-	10,336	-
Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2021-056734-DPI-ESSERF-160	(95,198)	95,198	-	-	-
Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2022-056734-DPI-ESSERF-160	-	217	189	406	-
Elementary and Secondary School Emergency Relief - II	84.425D	WI DPI	2022-056734-DPI-ESSERFII-163	-	1,800	-	1,800	-
Elementary and Secondary School Emergency Relief - III	84.425U	WI DPI	2022-056734-DPI-ESSERFIII-165	-	-	87,529	87,529	-
<i>Total Education Stabilization Funds</i>				<u>(95,198)</u>	<u>97,215</u>	<u>87,718</u>	<u>89,735</u>	<u>-</u>
Total U.S. Department of Education				<u>(111,403)</u>	<u>593,216</u>	<u>113,531</u>	<u>595,344</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	Not Available	(20)	20	-	-	-
Medical Assistance Program	93.778	WI DHS	Not Available	-	56,618	-	56,618	-
Total U.S. Department of Health and Human Services and Medicaid Cluster				<u>(20)</u>	<u>56,638</u>	<u>-</u>	<u>56,618</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE				<u>\$ (209,234)</u>	<u>\$ 1,997,923</u>	<u>\$ 113,531</u>	<u>\$ 1,902,220</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds	
Federal Sources	\$ 2,106,571
Less: Nonreportable Grants	(204,351)
Total expenditures of federal awards	<u>\$ 1,902,220</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2022

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 6/30/2021	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2022	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	056734-100	\$ -	\$ 326,363	\$ -	\$ 326,363	\$ -
Special Education and School Age Parents	255.101	CESA 7	056734-100	-	11,973	-	11,973	-
State School Lunch Aid	255.102	Direct Program	056734-107	-	30,467	-	30,467	-
Common School Fund Library Aid	255.103	Direct Program	056734-104	-	62,223	-	62,223	-
General Transportation Aid	255.107	Direct Program	056734-102	-	31,851	-	31,851	-
Equalization Aids	255.201	Direct Program	056734-116	(135,446)	9,581,355	-	9,445,909	-
School Based Mental Health Services	255.297	Direct Program	056734-177	(75,000)	75,000	31,042	31,042	-
State School Breakfast Aid SSBA	255.344	Direct Program	056734-108	-	14,487	-	14,487	-
Educator Effective Evaluation System	255.940	Direct Program	056734-154	-	8,240	-	8,240	-
Per Pupil Aid	255.945	Direct Program	056734-113	-	980,924	-	980,924	-
Assessments of Reading Readiness	255.956	Direct Program	056734-166	-	6,244	-	6,244	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	056734-168	-	4,782	-	4,782	-
TOTAL STATE PROGRAMS				\$ (210,446)	\$ 11,133,909	\$ 31,042	\$ 10,954,505	\$ -

Reconciliation to the basic financial statements:

Governmental Funds

State sources	\$ 10,999,354
Intermediate sources	11,973
Less: State sources not considered state financial assistance	
State tax exempt aid	(55,110)
Payment in lieu of taxes and other revenues	(1,712)
Total expenditures of state awards	<u>\$ 10,954,505</u>

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Wrightstown Community School District under programs of the federal and state governments for the year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines and Wisconsin Public School District Audit Manual*. Because the schedules present only a select portion of operations of the District, they are not intended to, and do not, present the financial position and change in net position of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Wrightstown Community School District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Special Education and School Age Parents Program

2021 - 2022 eligible costs under the State Special Education Program are \$1,097,203.

Note 4 - Oversight Agencies

The District's federal oversight agency is the U.S. Department of Education. The District's state cognizant agency is the Wisconsin Department of Public Instruction.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Name of Federal Program
	<i>Child Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

State Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required in accordance with State Single Audit Guidelines or the Wisconsin Public School District Audit Manual?	No

Identification of major state programs

State I.D. Number	Name of State Program
255.101	Special Education and School Age Parents
255.201	General Equalization

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2022

Section II - Financial Statement Findings (Continued)

2022-001 Financial Reporting

Condition:	During our audit, we noted that the internal control system does not include a process for preparing the external annual audited financial statements and the related disclosures in accordance with U.S. Generally Accepted Accounting Principles (GAAP).
Cause:	Management does not have the capacity or software to prepare the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
Criteria:	Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements in conformity with GAAP.
Effect:	Although the auditors are preparing the financial statements and the related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.
Recommendation:	We recommend that management continue to make this decision on a cost/benefit basis.
Management's Response:	Management does possess the skills and knowledge to prepare the financial statements, but does not have the capacity to do so. Therefore, KerberRose SC will continue preparing a draft of the audited financial statements for management's review and acceptance. Management does review the prepared drafts against underlying information and data in the District's general ledger and accepts full responsibility for the financial statements.
Responsible Official:	Dan Storch, Business Manager.
Anticipated Completion Date:	This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

Section III - Federal Award Finding

There were no findings for federal awards.

Section IV - State Award Finding

There were no findings for state awards.

WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

Financial Statement Findings

2021-001 – Financial Reporting – See corrective action plan finding 2022-001.



WRIGHTSTOWN COMMUNITY SCHOOL DISTRICT

CARLA BUBOLTZ, DISTRICT ADMINISTRATOR

Phone: 920-532-5551

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351 High Street

Wrightstown WI 54180-0128

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Corrective Action Plan

Financial Statement Finding

#2022-001 – Financial Reporting – Management feels as though they could prepare the financial statements, but will continue to have KerberRose SC prepare a draft of the audited financial statements, related footnotes and schedule of federal and state awards in accordance with generally accepted accounting principles due to time constraints. Management does review by comparing to the District's financial records and accepts responsibility for those financial statements.

Responsible Official

Dan Storch, Business Manager

Anticipated Completion Date

This finding will not completely resolve itself given the cost/benefit basis the District continues to make.