

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wisconsin Rapids Public Schools
Wisconsin Rapids, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wisconsin Rapids Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Wisconsin Rapids Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wisconsin Rapids Public Schools, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Wisconsin Retirement System pension schedules, Wisconsin Retirement System local retiree life insurance fund, and OPEB healthcare defined benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

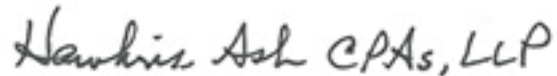
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wisconsin Rapids Public Schools' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance and notes are presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 30, 2021, on our consideration of the Wisconsin Rapids Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wisconsin Rapids Public Schools' internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
November 30, 2021

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Wisconsin Rapids Public Schools ("District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's basic financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Total governmental activities revenue was \$87,711,341; including \$24,505,423 of property taxes and \$42,773,958 of general state and federal aid. Total governmental activities expenditures were \$73,803,243; including \$39,114,156 for direct instruction.

The District's financial status, as reflected in total net position, increased by \$13,908,098.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *Statement of Net Position* and *Statement of Activities* provide information on a district-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements.

The *notes to the financial statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

The major features of the District's financial statements, including the activities reported and the type of information contained is shown in the following table.

Major Features of the District-wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Assets held by the District on behalf of someone else.
Required financial statements	Statement of net position. Statement of activities.	Balance Sheet. Statement of revenues, expenditures and changes in fund balance.	Statement of net position. Statement of changes in net position.
Basis of accounting and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of asset and liability information	All assets and liabilities; both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; received during or soon after expenditures when goods or services have been received and the related liability are due and payable.	All additions or deductions during the year, regardless of when cash is received or paid.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of activities reports all revenues and expenses used to support the District. The statement of net position reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources available to support District activities. The two district-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, food service, community programs and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- *Fiduciary fund* - The District serves as a trustee, or fiduciary, for retired employees. The District is responsible for ensuring that the assets reported in this fund is used only for the intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2021 compared to 2020. The District's combined net position increased by \$13,908,098. Specific causes of the increase are discussed later in this document.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2021</u>	<u>2020</u>	<u>2020 - 2021</u>
Current and other assets	\$ 44,543	\$ 32,525	36.95%
Capital assets	<u>86,389</u>	<u>84,998</u>	1.64%
Total assets	<u><u>130,933</u></u>	<u><u>117,523</u></u>	11.41%
Deferred outflows of resources	<u>27,802</u>	<u>19,702</u>	41.11%
Long-term liabilities			
outstanding	48,184	50,340	-4.28%
Other liabilities	<u>5,307</u>	<u>4,148</u>	27.94%
Total liabilities	<u><u>53,491</u></u>	<u><u>54,488</u></u>	-1.83%
Deferred inflows of resources	<u>29,564</u>	<u>21,669</u>	36.44%
Net position:			
Net investment in capital assets	68,737	60,401	13.80%
Restricted	25,698	12,801	100.75%
Unrestricted	<u>(18,756)</u>	<u>(12,133)</u>	-54.59%
Total net position	<u><u>\$ 75,680</u></u>	<u><u>\$ 61,069</u></u>	23.93%
Note: Totals may not add due to rounding.			

Table 2
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Total % Change
	2021	2020	2020 - 2021
Revenues			
Program revenues			
Charges for services	\$ 198	\$ 695	-71.51%
Operating grants and contributions	12,810	7,854	63.10%
General revenues			
Property taxes	24,505	24,509	-0.02%
State and federal aid	42,774	41,245	3.71%
Other	7,424	3,222	130.42%
Total revenues	<u>87,711</u>	<u>77,525</u>	13.14%
Expenses			
Instruction	39,114	38,088	2.69%
Pupil and instructional services	7,123	7,178	-0.77%
Administration and business	18,507	15,044	23.02%
Interest on debt	917	836	9.69%
Other	8,142	6,896	18.07%
Total expenses	<u>73,803</u>	<u>68,042</u>	8.47%
Increase in net position	<u>\$ 13,908</u>	<u>\$ 9,483</u>	46.66%

Note: Totals may not add due to rounding.

Table 2 provides summarized operating results and their impact on net position.

The District relies primarily on state and federal aids (49%) and property taxes (28%) to fund governmental activities. These two funding sources make up 77% of the total revenues.

Table 3 presents the cost of the five major district activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(in thousands of dollars)

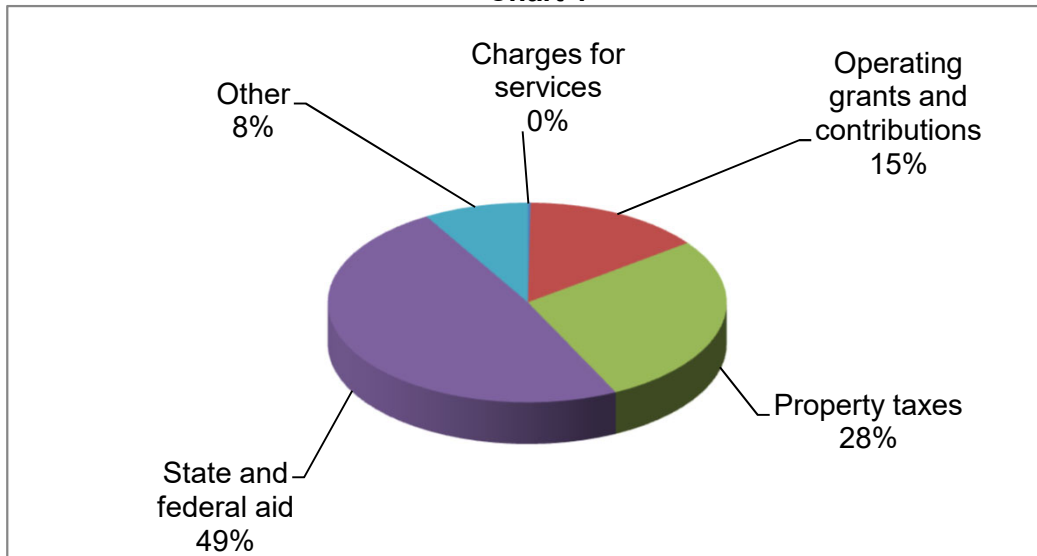
	Net Cost of Services		Total % change
	2021	2020	2020 - 2021
Instruction	\$ 31,481	\$ 33,429	-5.83%
Pupil and instructional services	5,890	6,356	-7.33%
Administration and business	14,397	11,991	20.07%
Interest on debt	917	836	9.69%
Other	8,111	6,881	17.88%
Total	\$ 60,795	\$ 59,493	2.19%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$73,803,243. Individuals who directly participated or benefited from a program offering paid for \$198,065 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$12,810,129. The net cost of governmental activities, \$60,795,049, was financed by general revenues of the District.

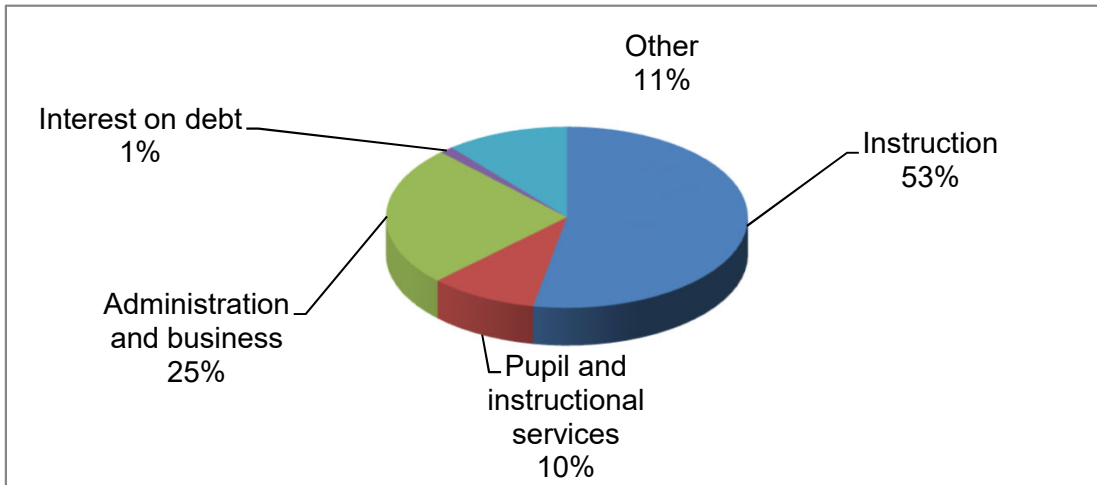
The composition of governmental revenues by source and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



Note: Totals may not add due to rounding.

Governmental Activities Expenditure by Type
Chart 2



Note: Totals may not add due to rounding.

The District completed the year with a total governmental fund balance of \$26,450,716, an increase from last year's ending fund balance of \$21,683,133.

The general fund had an increase in fund balance of \$47,520.

The non-referendum approved debt service fund had an increase in fund balance of \$5,000.

The referendum approved debt service fund had an increase of \$750,471. The fund balance of the debt service fund will fluctuate each year.

The community service fund had an increase in fund balance of \$2,135,236.

The other governmental funds had a fund balance increase of \$1,126,959.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in May for the subsequent year (beginning July 1st). Consistent with current state statutes and regulations an original budget is adopted in October, following determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified.

While the District's final budget for the general fund anticipated that expenditures would exceed revenues, the actual results for the year showed revenues exceeded expenditures by \$47,520.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the District had invested \$158,323,144 in capital assets, including land, land improvements, buildings, equipment, and construction in progress (See Table 4). Total accumulated depreciation on these assets is \$71,933,736. Asset acquisitions for governmental activities totaled \$4,686,966. The District recognized depreciation expense of \$3,716,136 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

	Governmental Activities		Total % change
	2021	2020	2020 - 2021
Land	\$ 283	\$ 283	0.00%
Land improvements	1,496	1,496	0.00%
Buildings	140,163	130,173	7.67%
Equipment	14,550	14,217	2.34%
Construction in progress	1,831	7,906	-76.84%
Accumulated depreciation	<u>(71,934)</u>	<u>(69,077)</u>	4.14%
Total	<u>\$ 86,389</u>	<u>\$ 84,998</u>	1.64%

Note: Totals may not add due to rounding.

Long-Term Debt

At year-end, the District had \$48,184,410 in notes payable and other long-term debt outstanding - a decrease of 4.3% from last year (see Table 5). Detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

	Governmental Activities		Total % change
	2021	2020	2020 - 2021
General obligation debt	\$ 15,455	\$ 24,010	-35.63%
Other	<u>32,729</u>	<u>26,330</u>	24.30%
Total	<u>\$ 48,184</u>	<u>\$ 50,340</u>	-4.28%

Note: Totals may not add due to rounding.

The District added \$14,645,000 of bonds payable and retired \$23,200,000 of bonds and notes payable during the year, increased the OPEB healthcare liability by \$2,583,052, and increased the Wisconsin Retirement System LRLIF liability by \$1,570,870, which played a role in the total decreased debt amount of \$2,155,504.

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

Residents authorized a \$34,000,000 bond paying for the cost of secure entrances at all schools, renovations to science classrooms, addition for a new library/student resource center and main office at Lincoln High School, construction of a new gymnasium at Rudolph Elementary School along with other construction related items.

Residents authorized the district to exceed the revenue limit by \$2,000,000 per year for five years ending in the 2025-26 school year, for non-recurring purposes consisting of technology and curriculum updates.

The District has been systematically growing its general fund balance with the long-term goal of increasing its financial stability and discontinuing the use of short-term borrowing for cash flow needs. The District was able to discontinue the use of short-term borrowing beginning with the 2019-20 school year.

The State of Wisconsin has provided no increase in per pupil revenue limit authority or per pupil categorical aid for the 2021-22 and 2022-23 school years. Budgets will be extremely challenging over the next couple years.

Since the 2019-20 school year, total revenue limit student FTE decreased by 226. Some of this decline is anticipated to be a direct impact of COVID and the Stora-Enso mill closure.

As of the most recent third Friday head count, the District had 285 student Open Enrollment (OE) in vs 342 OE out for a net loss of 57. It is important for the District to maintain the quality of instruction and physical property to remain competitive in the open enrollment environment.

The District does not anticipate any significant labor negotiation issues, however is concerned with the tight labor pool and increased wage pressures. It will be challenging to offer a CPI increase with the state freeze in per pupil funding.

Key Benefits Concepts, LLC., completed an actuarial study of our postretirement benefits and determined the post-retirement benefit liability as of 6/30/19 was \$23,270,435. The trust held \$2,135,365 of assets with a funding ratio of 9.2%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact, Mr. Aaron Nelson, Director of Business Services, 510 Peach Street, Wisconsin Rapids, WI 54494.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

WISCONSIN RAPIDS PUBLIC SCHOOLS

STATEMENT OF NET POSITION

JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments	\$ 17,975,290
Receivables	
Accounts	9,535
Taxes	5,843,895
Due from other governments	4,977,243
Prepaid expenses	21,533
Restricted assets	
Cash and cash investments	2,769,756
Wisconsin Retirement System net pension	12,946,094
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	2,113,985
Capital assets being depreciated	<u>84,275,423</u>
TOTAL ASSETS	<u>130,932,754</u>
DEFERRED OUTFLOWS OF RESOURCES	
Charge on refunding	181,028
Wisconsin Retirement System pension	20,471,592
Wisconsin Retirement System LRLIF	2,696,903
OPEB healthcare	<u>4,452,202</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>27,801,725</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>158,734,479</u></u>
LIABILITIES	
Accounts payable	1,425,838
Accrued liabilities	
Payroll, payroll taxes, insurance	3,623,328
Interest	160,196
Unearned revenue	97,370
Current portion of long-term obligations	3,808,081
Noncurrent portion of long-term obligations	<u>44,376,329</u>
TOTAL LIABILITIES	<u>53,491,142</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	28,394,773
Wisconsin Retirement System LRLIF	872,562
OPEB healthcare	<u>296,222</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>29,563,557</u>
NET POSITION	
Net investment in capital assets	68,737,399
Restricted for	
Special revenue	6,164,784
Debt service	3,140,492
Capital projects	3,446,546
Other activities	12,946,094
Unrestricted	<u>(18,755,535)</u>
TOTAL NET POSITION	<u>75,679,780</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 158,734,479</u>

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 25,709,937	\$ -	\$ 3,103,253	\$ (22,606,684)
Vocational instruction	1,400,747	-	43,839	(1,356,908)
Special instruction	9,211,348	23,773	4,409,616	(4,777,959)
Other instruction	2,792,124	2,174	50,918	(2,739,032)
Total instruction	<u>39,114,156</u>	<u>25,947</u>	<u>7,607,626</u>	<u>(31,480,583)</u>
Support services				
Pupil services	3,741,597	-	204,872	(3,536,725)
Instructional staff services	3,381,539	620	1,027,639	(2,353,280)
General administration services	877,903	-	-	(877,903)
Building administration services	1,866,400	-	-	(1,866,400)
Business services	15,762,320	171,498	3,938,368	(11,652,454)
Central services	850,170	-	14,818	(835,352)
Insurance	454,529	-	-	(454,529)
Interest and other	917,167	-	-	(917,167)
Other support services	1,318,919	-	16,806	(1,302,113)
Community services	184,367	-	-	(184,367)
Total support services	<u>29,354,911</u>	<u>172,118</u>	<u>5,202,503</u>	<u>(23,980,290)</u>
Non-program transactions	5,334,176	-	-	(5,334,176)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 73,803,243</u>	<u>\$ 198,065</u>	<u>\$ 12,810,129</u>	<u>(60,795,049)</u>

General revenues

Taxes	
Property taxes	24,505,423
State and federal aids not restricted to specific functions	42,773,958
Interest and investment earnings	65,427
Miscellaneous	<u>7,358,339</u>
Total general revenues	<u>74,703,147</u>

CHANGE IN NET POSITION	13,908,098
NET POSITION - BEGINNING OF YEAR	61,069,285
CHANGE IN ACCOUNTING PRINCIPLE	<u>702,397</u>
NET POSITION - END OF YEAR	<u>\$ 75,679,780</u>

The accompanying notes are an integral part of these statements.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

WISCONSIN RAPIDS PUBLIC SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	NON-REFERENDUM DEBT SERVICE FUND	REFERENDUM APPROVED DEBT SERVICE FUND	COMMUNITY SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and investments	\$ 8,660,210	\$ 5,000	\$ 365,736	\$ 3,382,759	\$ 5,561,585	\$ 17,975,290
Receivables						
Accounts	198	-	-	-	9,337	9,535
Taxes	5,843,895	-	-	-	-	5,843,895
Due from other funds	3,142	-	-	-	-	3,142
Due from other governments	4,805,836	-	-	-	171,407	4,977,243
Prepaid expenses	21,533	-	-	-	-	21,533
Cash and investments - restricted	-	-	2,769,756	-	-	2,769,756
TOTAL ASSETS	19,334,814	5,000	3,135,492	3,382,759	5,742,329	31,600,394
LIABILITIES						
Accounts payable	1,241,454	-	-	-	184,384	1,425,838
Accrued payroll liabilities	3,623,328	-	-	-	-	3,623,328
Due to other funds	-	-	-	-	3,142	3,142
Unearned revenue	12,991	-	-	-	84,379	97,370
TOTAL LIABILITIES	4,877,773	-	-	-	271,905	5,149,678
FUND BALANCES						
Nonspendable	21,533	-	-	-	-	21,533
Restricted	-	5,000	3,135,492	-	4,713,882	7,854,374
Committed	14,435,508	-	-	-	756,542	15,192,050
Assigned	-	-	-	3,382,759	-	3,382,759
TOTAL FUND BALANCES	14,457,041	5,000	3,135,492	3,382,759	5,470,424	26,450,716
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,334,814	\$ 5,000	\$ 3,135,492	\$ 3,382,759	\$ 5,742,329	

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

Governmental capital asset	\$ 158,323,144	
Governmental accumulated depreciation	(71,933,736)	86,389,408

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements:

6,847,254

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements:

4,155,980

Long-term liabilities are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	\$ (15,455,000)	
Premium	(2,152,524)	
Charge on refunding	181,028	
Capital leases	(225,513)	
Accrued interest	(160,196)	
Vested employee benefits	(109,202)	
WRS liability	(6,524,049)	
Net OPEB obligation	(23,718,122)	(48,163,578)

Total net position - governmental activities

\$ 75,679,780

WISCONSIN RAPIDS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	GENERAL FUND	NON-REFERENDUM DEBT SERVICE FUND	REFERENDUM APPROVED DEBT SERVICE FUND	COMMUNITY SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	\$ 20,474,176	\$ -	\$ 1,686,083	\$ 2,345,164	\$ -	\$ 24,505,423
Other local sources	513,198	-	52,176	6,132	3,965,182	4,536,688
Interdistrict sources	2,657,372	-	-	-	-	2,657,372
Intermediate sources	220,912	-	-	-	-	220,912
State sources	45,927,723	-	-	-	43,556	45,971,279
Federal sources	6,051,630	-	-	-	3,329,666	9,381,296
Other sources	397,700	82	-	-	9,844	407,626
TOTAL REVENUES	76,242,711	82	1,738,259	2,351,296	7,348,248	87,680,596
EXPENDITURES						
Current						
Instruction						
Regular instruction	26,195,517	-	-	-	454,677	26,650,194
Vocational instruction	1,436,563	-	-	-	2,426	1,438,989
Special instruction	9,597,066	-	-	-	-	9,597,066
Other instruction	3,150,762	-	-	-	12,280	3,163,042
Total instruction	40,379,908	-	-	-	469,383	40,849,291
Support services						
Pupil services	3,857,376	-	-	-	37,111	3,894,487
Instructional staff services	3,127,715	-	-	-	1,150	3,128,865
General administration services	883,956	-	-	-	-	883,956
Building administration services	3,008,609	-	-	-	-	3,008,609
Business services	10,514,315	-	-	26,660	5,707,820	16,248,795
Central services	1,205,651	-	-	225	4,153	1,210,029
Insurance	454,529	-	-	-	-	454,529
Other support services	1,361,745	-	-	-	478	1,362,223
Community services	-	-	-	189,175	-	189,175
Total support services	24,413,896	-	-	216,060	5,750,712	30,380,668
Non-program transactions	5,333,394	-	-	-	1,194	5,334,588
Debt service						
Principal	122,139	22,280,000	920,000	-	-	23,322,139
Interest	4,250	537,308	11,500	-	-	553,058
Other	-	184,657	56,288	-	-	240,945
Total debt service	126,389	23,001,965	987,788	-	-	24,116,142
Capital outlay	4,232	-	-	-	-	4,232
TOTAL EXPENDITURES	70,257,819	23,001,965	987,788	216,060	6,221,289	100,684,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,984,892	(23,001,883)	750,471	2,135,236	1,126,959	(13,004,325)
OTHER FINANCING (USES) SOURCES						
Net transfer (to) from other funds	(6,260,930)	6,260,930	-	-	-	-
Capital lease proceeds	292,401	-	-	-	-	292,401
Insurance proceeds and sale of capital assets	31,157	-	-	-	-	31,157
Premium on refunding bonds issued	-	2,100,953	-	-	-	2,100,953
Refunding bonds issued	-	14,645,000	-	-	-	14,645,000
TOTAL OTHER FINANCING (USES) SOURCES	(5,937,372)	23,006,883	-	-	-	17,069,511
NET CHANGE IN FUND BALANCE	47,520	5,000	750,471	2,135,236	1,126,959	4,065,186
FUND BALANCE - BEGINNING OF YEAR	14,409,521	-	2,385,021	1,247,523	3,641,068	21,683,133
CHANGE IN ACCOUNTING PRINCIPLE	-	-	-	-	702,397	702,397
FUND BALANCE - END OF YEAR	\$ 14,457,041	\$ 5,000	\$ 3,135,492	\$ 3,382,759	\$ 5,470,424	\$ 26,450,716

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ 4,065,186

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

The acquisition of capital assets are 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 expenses in the statement of activities.

Capital outlay reported in fund statements	\$ 4,232	
Capital outlay reported as other expenses in fund statements	6,909,939	
Depreciation expense reported in the statement of activities	(3,716,136)	
Net book value of capital assets disposed	<u>(1,807,051)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		1,390,984

The amount of the loans is reported in the governmental funds as a source of financing. In the statement of net position however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of loans reported in the governmental funds statement is: (14,937,401)

Certain 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. This year the accrual of these benefits decreased by: 17,046

Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes: 3,727,579

Wisconsin Retirement System LRLIF asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (760,768)

OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes: (692,550)

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. Amount of long-term debt principal payments in the current year is: 23,322,139

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues. Amount of interest and other debt costs paid during the current period is \$ (1,306,950) Amount of interest and other debt costs accrued during the current period is (917,167) Interest paid is less than interest accrued by: (2,224,117)

Change in net position - governmental activities \$ 13,908,098

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS

STATEMENT OF NET POSITION

FIDUCIARY FUND

JUNE 30, 2021

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	<u>EMPLOYEE BENEFIT</u>
ASSETS	
Cash and investments	\$ <u>2,852,754</u>
TOTAL ASSETS	<u>2,852,754</u>
LIABILITIES	
Due to other funds	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted for	
Postemployment benefits other than pensions	<u>2,852,754</u>
TOTAL NET POSITION	<u>2,852,754</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,852,754</u>

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2021

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	EMPLOYEE BENEFIT
ADDITIONS	
Investment income	\$ 25,673
Contributions	2,287,113
TOTAL ADDITIONS	2,312,786
 DEDUCTIONS	
Disbursements	1,790,883
TOTAL DEDUCTIONS	1,790,883
CHANGE IN NET POSITION	521,903
NET POSITION - BEGINNING OF THE YEAR	2,330,851
NET POSITION - END OF THE YEAR	\$ 2,852,754

The accompanying notes are an integral part of these statements.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The Wisconsin Rapids Public Schools is organized as a unified 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 fifteen taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Basis of Presentation

District-Wide 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, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Non-Referendum Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Community Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for community service.

The District has one fiduciary fund which accounts for an employee benefit trust.

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

The fiduciary fund(s) are reported using the economic resources measurement focus and the accrual basis of accounting.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installments of real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and the Districts before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. 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 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. 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.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Restricted Assets - Certain resources set aside for note and bond repayment are classified as restricted assets on the balance sheet because their use is limited by applicable note and bond covenants.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated fair market 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 are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land improvements	\$ 5,000	Straight-line	10-15 years
Buildings	\$ 5,000	Straight-line	45 years
Building improvements	\$ 5,000	Straight-line	15-20 years
Machinery and equipment	\$ 5,000	Straight-line	5-15 years

Debt Premiums and Discounts - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

Compensated Absences - The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the unpaid compensated absences are not expected to be paid using expendable available resources and, therefore, the liability is not reported.

Pensions - For purposes of measuring the net pension liability (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 additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) - 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 (asset), deferred outflows of resources, and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has four items that qualify for reporting in this category. They are the deferred charge on refunding, Wisconsin Retirement System pension, Wisconsin Retirement System local retiree life insurance fund (LRLIF), and OPEB healthcare reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has three types of items, Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the Director of Business Services to assign fund balances through its financial management policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against unassigned fund balance, then assigned fund balance, then committed fund balance and lastly to restricted fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool 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. No significant violations of these restrictions occurred during the year.

As of June 30, 2021, the District had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Certificates of deposit	Less than one year	\$ 564,155
State of Wisconsin Investment Pool	Less than one year	10,732,299
Wisconsin Investment Series Cooperative	Less than one year	2,357,357
First Bank	Less than one year	2,852,754
		<u>\$16,506,565</u>

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 2 - Cash and Investments - Continued

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2021, the Pool's fair value was 100 percent of book value.

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurement:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Wisconsin Investment Series Cooperative and Morgan Stanley Smith Barney are based on published market quotations (level 1 inputs).

Income Allocation - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District has a formal investment policy that further limits investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has an investment policy that further limits its investment choices. The State of Wisconsin Local Government Investment Pool and Wisconsin Investment Series Cooperative are not rated.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2021, \$1,500,000 of the District's bank balance of \$8,071,115 was exposed to custodial credit risk as uninsured collateral pledged by the bank in the District's name. \$4,437,901 was uninsured and uncollateralized.

NOTE 3 - Restricted Assets

Restricted assets on June 30, 2021 consisted of cash and cash equivalents of \$2,769,756 held for principal and interest payments on long-term debt.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 4 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 282,908	\$ -	\$ -	\$ 282,908
Construction in progress	<u>7,906,198</u>	<u>1,367,734</u>	<u>(7,442,855)</u>	<u>1,831,077</u>
Total capital assets not being depreciated	<u>8,189,106</u>	<u>1,367,734</u>	<u>(7,442,855)</u>	<u>2,113,985</u>
Capital assets being depreciated:				
Land improvements	1,495,841	-	-	1,495,841
Buildings and improvements	130,173,165	9,990,278	-	140,163,443
Equipment	<u>14,217,383</u>	<u>2,139,543</u>	<u>(1,807,051)</u>	<u>14,549,875</u>
Total capital assets being depreciated	<u>145,886,389</u>	<u>12,129,821</u>	<u>(1,807,051)</u>	<u>156,209,159</u>
Less accumulated depreciation for:				
Land improvements	(1,495,685)	(986)	830	(1,495,841)
Buildings and improvements	(59,646,466)	(2,735,477)	-	(62,381,943)
Equipment	<u>(7,934,920)</u>	<u>(979,673)</u>	<u>858,641</u>	<u>(8,055,952)</u>
Total accumulated depreciation	<u>(69,077,071)</u>	<u>(3,716,136)</u>	<u>859,471</u>	<u>(71,933,736)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>76,809,318</u>	<u>8,413,685</u>	<u>(947,580)</u>	<u>84,275,423</u>
Capital assets, net of accumulated depreciation	<u>\$ 84,998,424</u>	<u>\$ 9,781,419</u>	<u>\$ (8,390,435)</u>	<u>\$ 86,389,408</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 12,205
Other instruction	142,302
Instructional staff services	32,500
General administration services	35,643
Building administration services	2,964,623
Business services	<u>528,863</u>
	<u>\$ 3,716,136</u>

The District does not capitalize interest on general fixed asset projects.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 5 - Long-Term Liabilities

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 3,740,000	\$ 14,645,000	\$ (2,930,000)	\$ 15,455,000	\$ 1,630,000
Notes payable - direct placement	20,270,000	-	(20,270,000)	-	-
Leases - direct placement	55,251	292,401	(122,139)	225,513	44,479
Premium	60,166	2,100,953	(8,595)	2,152,524	308,731
Vested vacation pay	126,248	109,202	(126,248)	109,202	109,202
Wisconsin Retirement System					
LRLIF	4,953,179	1,570,870	-	6,524,049	-
OPEB healthcare	21,135,070	4,325,197	(1,742,145)	23,718,122	1,715,669
Total	<u>\$ 50,339,914</u>	<u>\$ 23,043,623</u>	<u>\$ (25,199,127)</u>	<u>\$ 48,184,410</u>	<u>\$ 3,808,081</u>

In prior years, the general and food service funds liquidated vested employee benefits. Interest cost incurred during the year totaled \$676,222 and total interest paid during the year aggregated \$553,058 including \$4,250 for capital leases.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2021 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	12/5/06	0%	12/5/22	\$ 2,820,000
Bonds	11/18/20	3-5%	4/1/27	<u>12,635,000</u>
Total				<u>\$ 15,455,000</u>

The note issued in 2006 above is a Qualified Zone Academy Bonds (QZAB) which is part of a federal program under which the federal government pays the interest either directly to the bond holders or through a rebate to the District for the total interest paid. There is no interest cost to the District resulting in a 0% interest rate on these notes. Generally Accepted Accounting Principles requires non-interest bearing notes to have interest imputed on the outstanding principal balance. Interest will be paid in 2022 on these notes which will be imputed based on an equivalent rate the District would pay for interest bearing notes/bonds and will be paid by the federal government. The following aggregate cash flow requirement includes this imputed interest.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 5 - Long-Term Liabilities - Continued

General Obligation Debt Limit Calculation - The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,514,286,603. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes, follows:

Debt limit (10 percent of \$2,514,286,603)	\$ 251,428,660
Amount available in debt service fund	3,135,492
Deduct long-term debt applicable to debt margin	<u>(15,455,000)</u>
Margin of indebtedness	<u>\$ 239,109,152</u>

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

Year Ending June 30	Bonds		Leases - Direct Placement		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,630,000	\$ 599,150	\$ 44,479	\$ 24,979	\$ 2,298,608
2023	4,590,000	550,250	49,405	20,052	5,209,707
2024	2,140,000	461,750	54,878	14,580	2,671,208
2025	2,250,000	354,750	60,957	8,501	2,674,208
2026	2,360,000	242,250	15,794	1,750	2,619,794
2027	2,485,000	124,250	-	-	2,609,250
	<u>\$ 15,455,000</u>	<u>\$ 2,332,400</u>	<u>\$ 225,513</u>	<u>\$ 69,862</u>	<u>\$ 18,082,775</u>

Qualified Zone Academy Bonds (QZAB) - Taxable general obligation QZAB debt was issued December 5, 2006 to fund a capital project fund. These bonds are non-interest bearing with tax credits available to the bearers. The District is required to deposit \$150,003 annually to retire these bonds.

Cash Defeasance - The District defeased \$920,000 of outstanding 2015 refunding bonds by depositing \$926,288 with an escrow agent to reduce future debt service payments.

Current Refunding - The District issued \$16,500,000 of refunding bonds for a current refunding of \$14,645,000 of outstanding 2017 refunding bonds. The transaction resulted in an economic gain of \$650,305 and a reduction of \$658,089 in future debt service payments.

Defeased Debt - In the prior years, the District defeased general obligation debt by placing funds in an irrevocable trust account for all future debt service payments of the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. In the current year, the District defeased general obligation debt of \$920,000. At June 30, 2021, \$2,915,000 of defeased debt remains outstanding.

NOTE 6 - Wisconsin Retirement System

General Information about the Pension Plan

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 6 - Wisconsin Retirement System - Continued

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

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

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

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

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

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarial-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:

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 6 - Wisconsin Retirement System - Continued

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11
2012	(7)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21

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 WRS recognized \$2,297,487 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At June 30, 2021, the District reported a liability (asset) of \$(12,946,094) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (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, 2020, the District's proportion was 0.20736516%, which was a decrease of 0.00403689% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense (revenue) of \$(1,358,592).

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 6 - Wisconsin Retirement System - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,736,974	\$ 4,035,911
Net differences between projected and actual earnings on pension plan investments	-	24,305,237
Changes in assumptions	293,642	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,178	53,625
Employer contributions subsequent to the measurement date	1,405,798	-
Total	\$ 20,471,592	\$ 28,394,773

\$1,405,798 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2022	\$ (2,386,735)
2023	(653,991)
2024	(4,417,103)
2025	(1,871,150)
Thereafter	\$ -

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, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7%
Discount Rate:	7%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 6 - Wisconsin Retirement System - Continued

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

Asset Allocation Targets and Expected Returns
As of December 31, 2020

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	.8
Inflation Sensitive Assets	16	2	(.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.4%

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

Single Discount Rate - A single discount rate of 7% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7% and a municipal bond rate of 2% (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, 2020. 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 7% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 6 - Wisconsin Retirement System - Continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease to Discount Rate (6%)	Current Discount Rate (7%)	1% Increase to Discount Rate (8%)
District's proportionate share of the net pension liability (asset)	\$ 12,322,887	\$ (12,946,094)	\$ (31,505,973)

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 reported a payable of \$756,790 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post-Employment Benefits

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

OPEB Plan Fiduciary Net Position - ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

Contribution rates as of June 30, 2021 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$23,650 in contributions from the employer.

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

At June 30, 2021, the District reported a liability (asset) of \$6,524,049 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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 (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 1.186035%, which was an increase of .022824% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense (revenue) of \$784,418.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 311,303
Net differences between projected and actual earnings on OPEB plan investments	94,985	-
Changes in assumption	2,537,946	447,638
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,972	113,621
Employer contributions subsequent to the measurement date	-	-
Total	\$ 2,696,903	\$ 872,562

Zero was reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2022	\$ 336,878
2023	326,606
2024	316,026
2025	287,387
Thereafter	\$ 557,444

Actuarial Assumptions - The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

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.

Local OPEB Life Insurance
 Asset Allocation Targets and Expected Returns
 As of December 31, 2020

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Credit Bonds	Barclays Credit	50	1.47
US Mortgages	Barclays MBS	50	.82
Inflation			2.2
Long-term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.2% respectively. 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.

Single Discount Rate - A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments 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 (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's proportionate share of the net OPEB liability (asset)	\$ 8,874,572	\$ 6,524,049	\$ 4,746,416

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

NOTE 8 - Interfund Balance and Activity

Interfund receivable and payable balances on June 30, 2021, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Indian education	\$ 3,142

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Interfund transfers at June 30, 2021 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Non-referendum debt	\$ 6,260,930

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other Than Pensions

Plan Description - The other post employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Administrators at least age 57 with 15 years of service in the District will receive contributions towards their medical premiums until Medicare eligibility. Contributions will be equal to 90% of the premiums until the age of 60. After age 60, contributions will be equal to 100% of the premiums. Retirees will receive contributions towards their life insurance premiums until Medicare eligibility. Contributions will be equal to 100% of the premiums.

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

Non-union clerical and nurses at least age 57 with 15 years of service will receive contributions towards their medical premiums until Medicare eligibility. Contributions will be equal to 85% for single or 70% for family premiums until the age of 60. After age 60, contributions will be equal to 85% of single or family premiums.

Psychologists at least age 57 with 15 years of service and age 52 as of 7/1/07 will receive contributions towards their medical premiums until Medicare eligibility. Contributions will be equal to 85% for single or 70% for family premiums until the age of 60. After age 60, contributions will be equal to 85% of single or family premiums.

Teachers retired prior to the 2012-2013 school year at least age 57 with 15 years of service will receive contributions towards their medical premiums until Medicare eligibility. Contributions will be equal to 85% for single or 70% for family premiums until the age of 60. After age 60, contributions will be equal to 85% of single or family premiums.

Teachers retired after the 2012-2013 school year at least age 57 with 15 years of service will receive contributions towards their medical premiums until Medicare eligibility. Contributions will be equal to 85% of premiums in effect at the time of retirement.

Teachers who retire prior to age 57 with 15 years of service may receive medical benefits. Retirees will pay 100% of the premiums until age 57. After age 57, the retirees will receive contributions towards their medical premiums of 100%.

Employees Covered - As of the June 30, 2020 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>636</u>
Total	<u>701</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2021, contribution rates for Plan members were \$140 - \$313 per participant per month and \$793 - \$1,755 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$244,224 and the District contributed \$1,715,669 to the plan.

Actuarial Assumptions - The net OPEB healthcare liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

Actuarial Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal - Level %
Amortization Period:	20 years
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3%
Mortality:	Wisconsin 2018 Mortality Table
Medical Care Cost Trend:	7.5% decreasing by 0.5% per year to 6.5%, then by 0.1% per year to 5.0%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2019.

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015 - 2017.

The OPEB liability for June 30, 2021 is based upon an update of the liability calculated from the July 1, 2020 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments was determined by expected future real rates of return (expected returns, net of plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
Cash	0.5%	100%

Discount Rate - A discount rate of 2.25% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these 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 plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate incorporated a 20 year AA municipal bond rate (2.25%).

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Healthcare Liability

	Increase (Decrease)		
	Total OPEB Healthcare Liability (a)	Fiduciary Net Position (b)	Net OPEB Healthcare Liability (a) - (b)
Beginning balance	\$ 23,270,435	\$ 2,135,365	\$ 21,135,070
Changes for the year:			
Service cost	1,378,824	-	1,378,824
Interest	811,528	-	811,528
Changes of assumptions or other input	2,134,845	-	2,134,845
Contributions - employer	-	1,736,204	(1,736,204)
Net investment income	-	5,941	(5,941)
Benefit payments	(1,546,659)	(1,546,659)	-
Net changes	2,778,538	195,486	2,583,052
Ending balance	<u>\$ 26,048,973</u>	<u>\$ 2,330,851</u>	<u>\$ 23,718,122</u>

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

The following presents the net OPEB healthcare liability calculated using the healthcare cost trend rate of 7.5 percent decreasing to 5 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.5 percent decreasing to 4 percent) or 1-percentage-point higher (8.5 percent decreasing to 6 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (6.5% decreasing to 4%)	Current Healthcare Cost Rate (7.5% decreasing to 5%)	1% Increase to Healthcare Cost Rate (8.5% decreasing to 6%)
Net OPEB healthcare liability	\$ 21,235,330	\$ 23,718,122	\$ 26,596,567

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the net OPEB healthcare liability calculated using the discount rate of 2.25 percent, as well as what the net OPEB healthcare 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 to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB healthcare liability	\$ 25,493,792	\$ 23,718,122	\$ 22,001,684

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

For the year ended June 30, 2021, the District recognized OPEB healthcare expense of \$2,408,219.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 296,222
Net differences between projected and actual earnings on pension plan investments	105,819	-
Changes in assumptions	2,630,714	-
Employer contributions subsequent to the measurement date	1,715,669	-
Total	\$ 4,452,202	\$ 296,222

\$1,715,669 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2022	\$ 295,922
2023	295,922
2024	295,918
2025	279,877
2026	265,455
Thereafter	\$ 1,007,217

Payables to the OPEB Healthcare Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2021.

NOTE 10 - Fund Balance and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General	Prepays	\$ 21,533
Restricted		
Non-Referendum approved debt service	Principal and interest	\$ 5,000
Referendum approved debt service	Principal and interest	\$ 3,135,492
Food service	DPI regulation	\$ 1,267,336
Long-term capital improvement trust	DPI regulation	\$ 1,118,571
Other capital projects	DPI regulation	\$ 2,327,975

WISCONSIN RAPIDS PUBLIC SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 10 - Fund Balance and Net Position - Continued

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Committed		
General	Specific expenses	\$ 14,435,508
Special revenue trust	Specific expenses	\$ 756,542
Assigned		
Community service	Specific expenses	\$ 3,382,759
<u>Governmental Activities</u>		
Restricted		
Special revenue	DPI regulation	\$ 6,164,784
Debt service	Principal and interest	\$ 3,140,492
Capital projects	DPI regulation	\$ 3,446,546
Other activities	Wisconsin Retirement System pension	\$ 12,946,094

NOTE 11 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 12 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency #5 for services to be provided to the District in 2021-2022. Expected local district net costs are \$324,551.

The District has transportation agreements through 2024. Rates are negotiated in June each year for the next fiscal year. It is expected that the cost for 2021-2022 will exceed \$2,984,240.

The District is aware some older buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and have not recorded a liability.

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

NOTE 13 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 14 - Subsequent Events

Subsequent to June 30, 2021, the District passed a referendum which authorized a \$34,000,000 bond paying for the cost of renovations, improvements, and additions to various school buildings.

Also passed and authorized was the District to exceed the revenue limit by \$2,000,000 per year for five years ending in the 2025-26 school year, for non-recurring purposes consisting of technology and curriculum updates.

NOTE 15 - Change in Accounting Principle

The change in accounting principles adjustment of \$702,397 on the statement of activities, statement of revenues, expenditures and changes in fund balances - governmental funds, and combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds is due to the adoption of Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*.

NOTE 16 - Coronavirus (COVID-19)

The World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. COVID-19 may impact various parts of the District's operations including costs for emergency preparedness, virtual school, shortages of personnel, and potential delays in revenue collections.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

WISCONSIN RAPIDS PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL		GENERAL	SPECIAL		GENERAL	SPECIAL		
		EDUCATION	TOTAL		EDUCATION	TOTAL		EDUCATION	TOTAL	
REVENUES										
Property taxes	\$ 20,477,435	\$ -	\$ 20,477,435	\$ 20,477,435	\$ -	\$ 20,477,435	\$ 20,474,176	\$ -	\$ 20,474,176	\$ (3,259)
Other local sources	484,600	7,800	492,400	539,463	8,231	547,694	508,075	5,123	513,198	(34,496)
Interdistrict sources	2,108,800	8,700	2,117,500	2,597,665	8,700	2,606,365	2,638,290	19,082	2,657,372	51,007
Intermediate sources	255,500	200	255,700	205,945	200	206,145	205,945	14,967	220,912	14,767
State sources	42,856,578	2,513,700	45,370,278	42,835,966	3,091,073	45,927,039	42,836,650	3,091,073	45,927,723	684
Federal sources	2,773,163	1,358,478	4,131,641	4,856,437	1,541,639	6,398,076	4,521,701	1,529,929	6,051,630	(346,446)
Other sources	272,800	-	272,800	357,807	-	357,807	397,700	-	397,700	39,893
TOTAL REVENUES	69,228,876	3,888,878	73,117,754	71,870,718	4,649,843	76,520,561	71,582,537	4,660,174	76,242,711	(277,850)
EXPENDITURES										
Current										
Instruction										
Regular instruction	24,817,281	-	24,817,281	26,709,941	-	26,709,941	26,195,517	-	26,195,517	514,424
Vocational instruction	1,531,850	-	1,531,850	1,523,713	-	1,523,713	1,436,563	-	1,436,563	87,150
Special instruction	-	9,649,625	9,649,625	-	9,704,632	9,704,632	-	9,597,066	9,597,066	107,566
Other instruction	3,334,047	-	3,334,047	3,314,463	-	3,314,463	3,150,762	-	3,150,762	163,701
Total instruction	29,683,178	9,649,625	39,332,803	31,548,117	9,704,632	41,252,749	30,782,842	9,597,066	40,379,908	872,841
Support services										
Pupil services	2,335,188	1,647,710	3,982,898	2,317,519	1,651,057	3,968,576	2,281,678	1,575,698	3,857,376	111,200
Instructional staff services	2,780,164	412,590	3,192,754	2,941,540	416,155	3,357,695	2,696,005	431,710	3,127,715	229,980
General administration services	879,350	-	879,350	879,350	-	879,350	883,956	-	883,956	(4,606)
Building administration services	3,046,668	-	3,046,668	3,040,071	-	3,040,071	3,008,609	-	3,008,609	31,462
Business services	10,106,695	658,870	10,765,565	9,881,710	650,931	10,532,641	9,907,219	607,096	10,514,315	18,326
Central services	854,490	5,080	859,570	1,288,283	3,800	1,292,083	1,202,751	2,900	1,205,651	86,432
Insurance	464,272	5,270	469,542	464,272	5,270	469,542	448,785	5,744	454,529	15,013
Other support services	1,244,137	30	1,244,167	1,370,860	8	1,370,868	1,361,737	8	1,361,745	9,123
Total support services	21,710,964	2,729,550	24,440,514	22,183,605	2,727,221	24,910,826	21,790,740	2,623,156	24,413,896	496,930
Non-program transactions	4,210,118	268,660	4,478,778	5,146,504	313,603	5,460,107	5,019,791	313,603	5,333,394	126,713
Debt service										
Principal	55,000	-	55,000	112,565	-	112,565	122,139	-	122,139	(9,574)
Interest	7,500	-	7,500	7,500	-	7,500	4,250	-	4,250	3,250
Total debt service	62,500	-	62,500	120,065	-	120,065	126,389	-	126,389	(6,324)
Capital outlay	1,652	-	1,652	4,232	-	4,232	4,232	-	4,232	-
TOTAL EXPENDITURES	55,668,412	12,647,835	68,316,247	59,002,523	12,745,456	71,747,979	57,723,994	12,533,825	70,257,819	1,490,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,560,464	(8,758,957)	4,801,507	12,868,195	(8,095,613)	4,772,582	13,858,543	(7,873,651)	5,984,892	1,212,310
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(14,882,794)	8,758,957	(6,123,837)	(14,367,098)	8,095,613	(6,271,485)	(14,134,581)	7,873,651	(6,260,930)	10,555
Capital lease proceeds	-	-	-	292,401	-	292,401	292,401	-	292,401	-
Sale of capital assets	-	-	-	-	-	-	31,157	-	31,157	31,157
TOTAL OTHER FINANCING SOURCES (USES)	(14,882,794)	8,758,957	(6,123,837)	(14,074,697)	8,095,613	(5,979,084)	(13,811,023)	7,873,651	(5,937,372)	41,712
NET CHANGE IN FUND BALANCE	(1,322,330)	-	(1,322,330)	(1,206,502)	-	(1,206,502)	47,520	-	47,520	1,254,022
FUND BALANCE - BEGINNING OF YEAR	14,409,521	-	14,409,521	14,409,521	-	14,409,521	14,409,521	-	14,409,521	-
FUND BALANCE - END OF YEAR	\$ 13,087,191	\$ -	\$ 13,087,191	\$ 13,203,019	\$ -	\$ 13,203,019	\$ 14,457,041	\$ -	\$ 14,457,041	\$ 1,254,022

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2021

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund and at the individual fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.
7. Encumbrance accounting is used by the District.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	General administration services	\$	4,606
General/Special Education	Debt service - principal		9,574

WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years *

	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.20736516%	\$ (12,946,094)	\$34,036,393	-38.04%	105.26%
2020	0.21140205%	(6,816,567)	33,267,434	-20.49%	102.96%
2019	0.21727139%	7,729,835	32,404,455	23.85%	96.45%
2018	0.22582810%	(6,705,104)	32,046,597	-20.92%	102.93%
2017	0.23414621%	1,929,924	32,597,732	5.92%	99.12%
2016	0.24294882%	3,947,871	33,571,083	11.76%	98.20%
2015	0.25038271%	(6,150,084)	33,599,478	-18.30%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years *

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 2,297,487	\$ (2,297,487)	\$ -	\$ 34,036,393	6.75%
2020	2,179,018	(2,179,018)	-	33,267,434	6.55%
2019	2,171,107	(2,171,107)	-	32,404,455	6.70%
2018	2,179,146	(2,179,146)	-	32,046,597	6.80%
2017	2,154,761	(2,154,761)	-	32,597,732	6.61%
2016	2,282,834	(2,282,834)	-	33,571,083	6.80%
2015	2,352,414	(2,352,414)	-	33,599,478	7.00%

* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2021

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes of assumptions - no significant change in assumptions from the prior year were noted.

WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years *

	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2021	1.18603500%	\$ 6,524,049	\$ 29,132,000	22.39%	31.36%
2020	1.16321100%	4,953,179	27,987,000	17.70%	37.58%
2019	1.18765500%	3,064,551	26,830,000	11.42%	48.69%
2018	1.21092000%	3,643,150	50,922,650	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years *

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 23,650	\$ (23,650)	\$ -	\$ 29,132,000	0.08%
2020	21,028	(21,028)	-	27,987,000	0.08%
2019	22,882	(22,882)	-	26,830,000	0.09%
2018	22,995	(22,995)	-	50,922,650	0.05%

* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2021

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the local retiree life insurance fund.

Changes of assumptions - a couple actuarial assumptions changed from the prior year, including the single discount rate and the 20 year tax-exempt municipal bond yield.

WISCONSIN RAPIDS PUBLIC SCHOOLS
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2021

SCHEDULE OF CHANGES IN THE NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability				
Service cost	\$ 1,378,824	\$ 1,350,658	\$ 1,386,079	\$ 1,309,691
Interest	811,528	602,851	594,205	565,603
Differences between expected and actual experience	-	(328,261)	(30,549)	(11,895)
Changes of assumptions or other input	2,134,845	886,692	-	-
Benefit payments	<u>(1,546,659)</u>	<u>(976,029)</u>	<u>(903,748)</u>	<u>(865,090)</u>
Net Changes in Total OPEB Healthcare Liability	2,778,538	1,535,911	1,045,987	998,309
Total OPEB Healthcare Liability - Beginning	<u>23,270,435</u>	<u>21,734,524</u>	<u>20,688,537</u>	<u>19,690,228</u>
Total OPEB Healthcare Liability - Ending (a)	<u>\$ 26,048,973</u>	<u>\$ 23,270,435</u>	<u>\$ 21,734,524</u>	<u>\$ 20,688,537</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,736,204	\$ 1,143,111	\$ 1,318,200	\$ 2,099,950
Net investment income	5,941	10,800	4,251	38,297
Benefit payments	<u>(1,546,659)</u>	<u>(976,029)</u>	<u>(1,255,363)</u>	<u>(1,958,749)</u>
Net Changes in Plan Fiduciary Net Position	195,486	177,882	67,088	179,498
Plan Fiduciary Net Position - Beginning	<u>2,135,365</u>	<u>1,957,483</u>	<u>1,890,395</u>	<u>1,710,897</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,330,851</u>	<u>\$ 2,135,365</u>	<u>\$ 1,957,483</u>	<u>\$ 1,890,395</u>
Net OPEB Healthcare Liability - Ending (a) - (b)	<u>\$ 23,718,122</u>	<u>\$ 21,135,070</u>	<u>\$ 19,777,041</u>	<u>\$ 18,798,142</u>
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	8.95%	9.18%	9.01%	9.14%
Covered payroll	\$ 32,311,973	\$ 32,311,973	\$ 25,899,480	\$ 25,899,480
Net OPEB Healthcare Liability as a percentage of covered payroll	73.40%	65.41%	76.36%	72.58%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 2,208,597	\$ 1,998,262	\$ 1,940,060	\$ 1,836,997
Contributions in relation to the actuarially determined contributions	<u>(1,736,204)</u>	<u>(1,143,111)</u>	<u>(1,255,363)</u>	<u>(1,958,749)</u>
Contribution deficiency (excess)	<u>\$ 472,393</u>	<u>\$ 855,151</u>	<u>\$ 684,697</u>	<u>\$ (121,752)</u>
Covered payroll	\$ 32,311,973	\$ 32,311,973	\$ 25,899,480	\$ 25,899,480
Contributions as a percentage of covered payroll	5.37%	3.54%	4.85%	7.56%
Actuarial valuation date	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2021

Methods and assumptions used to determine actuarial calculations - entry age normal cost, 20 year level % open amortization, fair value asset valuation, 2.25% discount rate, 2% inflation, 3% salary increases, Wisconsin 2018 mortality table.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - the discount rate decreased to 2.25%, and the inflation decreased to 2%.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN
SUPPLEMENTARY INFORMATION**

WISCONSIN RAPIDS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	SPECIAL REVENUE FUNDS			LONG TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE TRUST	INDIAN EDUCATION	FOOD SERVICE			
ASSETS						
Cash and investments	\$ 748,932	\$ -	\$ 1,290,521	\$ 1,157,514	\$ 2,364,618	\$ 5,561,585
Receivables						
Accounts	9,215	-	122	-	-	9,337
Due from other governments	-	3,245	168,162	-	-	171,407
TOTAL ASSETS	<u>758,147</u>	<u>3,245</u>	<u>1,458,805</u>	<u>1,157,514</u>	<u>2,364,618</u>	<u>5,742,329</u>
LIABILITIES						
Accounts payable	1,605	103	107,090	38,943	36,643	184,384
Due to other funds	-	3,142	-	-	-	3,142
Unearned revenue	-	-	84,379	-	-	84,379
TOTAL LIABILITIES	<u>1,605</u>	<u>3,245</u>	<u>191,469</u>	<u>38,943</u>	<u>36,643</u>	<u>271,905</u>
FUND BALANCES						
Restricted	-	-	1,267,336	1,118,571	2,327,975	4,713,882
Committed	756,542	-	-	-	-	756,542
TOTAL FUND BALANCES	<u>756,542</u>	<u>-</u>	<u>1,267,336</u>	<u>1,118,571</u>	<u>2,327,975</u>	<u>5,470,424</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 758,147</u>	<u>\$ 3,245</u>	<u>\$ 1,458,805</u>	<u>\$ 1,157,514</u>	<u>\$ 2,364,618</u>	<u>\$ 5,742,329</u>

WISCONSIN RAPIDS PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS				LONG TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE TRUST	INDIAN EDUCATION	FOOD SERVICE				
REVENUES							
Other local sources	\$ 478,695	\$ -	\$ 171,532	\$ 1,577	\$ 3,313,378	\$ 3,965,182	
State sources	-	-	43,556	-	-	43,556	
Federal sources	-	25,459	3,304,207	-	-	3,329,666	
Other sources	-	-	9,844	-	-	9,844	
TOTAL REVENUES	<u>478,695</u>	<u>25,459</u>	<u>3,529,139</u>	<u>1,577</u>	<u>3,313,378</u>	<u>7,348,248</u>	
EXPENDITURES							
Current							
Instruction							
Regular instruction	454,677	-	-	-	-	454,677	
Vocational instruction	2,426	-	-	-	-	2,426	
Other instruction	12,280	-	-	-	-	12,280	
Total instruction	<u>469,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,383</u>	
Support services							
Pupil services	11,778	25,333	-	-	-	37,111	
Instructional staff services	1,150	-	-	-	-	1,150	
Business services	8,949	126	3,096,762	869,505	1,732,478	5,707,820	
Central services	-	-	4,153	-	-	4,153	
Other support services	-	-	478	-	-	478	
Total support services	<u>21,877</u>	<u>25,459</u>	<u>3,101,393</u>	<u>869,505</u>	<u>1,732,478</u>	<u>5,750,712</u>	
Non-program transactions	1,194	-	-	-	-	1,194	
TOTAL EXPENDITURES	<u>492,454</u>	<u>25,459</u>	<u>3,101,393</u>	<u>869,505</u>	<u>1,732,478</u>	<u>6,221,289</u>	
NET CHANGE IN FUND BALANCE	(13,759)	-	427,746	(867,928)	1,580,900	1,126,959	
FUND BALANCES - BEGINNING OF YEAR	67,904	-	839,590	1,986,499	747,075	3,641,068	
CHANGE IN ACCOUNTING PRINCIPLE	702,397	-	-	-	-	702,397	
FUND BALANCES - END OF YEAR	<u>\$ 756,542</u>	<u>\$ -</u>	<u>\$ 1,267,336</u>	<u>\$ 1,118,571</u>	<u>\$ 2,327,975</u>	<u>\$ 5,470,424</u>	

WISCONSIN RAPIDS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Awarding Agency Pass-Through Agency Award Description	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2020	REVENUES GRANTOR REIMBURSE- MENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2021	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
<u>Child Nutrition Cluster</u>								
Food Donation July 1, 2020 - June 30, 2021	None		10.555	N/A	\$ -	\$ 224,890	\$ 224,890	\$ -
COVID-19 - School Breakfast Program July 1, 2019 - June 30, 2020	2020-716685-DPI-SB-546		10.553	N/A	28,243	28,243	-	-
COVID-19 - Special Milk Program for Children July 1, 2020 - June 30, 2021	2021-716685-DPI-SMP-548		10.556	N/A	-	3,026	3,026	-
COVID-19 - Summer Food Service Program for Children July 1, 2019 - June 30, 2020	2020-716685-DPI-SFSP-586		10.559	N/A	196,125	196,125	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-SFSP-586			N/A	-	2,866,355	3,031,210	164,855
Total Child Nutrition Cluster					224,368	3,318,639	3,259,126	164,855
Fresh Fruit and Vegetable Program July 1, 2019 - June 30, 2020	2020-716685-20FFVP-OCT-376		10.582	N/A	11,643	11,643	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-FFVPOCTPUB-376			\$	46,490	41,774	45,081	3,307
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>236,011</u>	<u>3,372,056</u>	<u>3,304,207</u>	<u>168,162</u>
U.S. DEPARTMENT OF EDUCATION								
Indian Education								
July 1, 2020 - June 30, 2021	S060A290136		84.060		25,460	-	22,214	25,459
					-	22,214	25,459	3,245
					-	-	-	3,245
Wisconsin Department of Public Instruction								
<u>Special Education Cluster</u>								
Special Education - Grants to States (IDEA Part B) July 1, 2019 - June 30, 2020	2020-716685-DPI-IDEA-F-341		84.027A	N/A	695,016	695,016	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-IDEA-FT-341				1,052,975	-	427,807	1,041,406
Special Education - Grants to States - CEIS July 1, 2019 - June 30, 2020	2020-716685-DPI-IDEA-F-341		84.027A	N/A	15,085	15,085	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-IDEA-FT-341				181,843	-	49,297	183,058
Special Education - Preschool Grants (IDEA Part B) July 1, 2019 - June 30, 2020	2020-716685-DPI-IDEA-P-347		84.173A	N/A	27,118	27,118	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-IDEA-P-347				28,165	-	26,894	26,894
Total IDEA Cluster					<u>737,219</u>	<u>1,214,323</u>	<u>1,251,358</u>	<u>774,254</u>
Education Stabilization Fund								
COVID-19 - Elementary and Secondary School Emergency Relief I July 1, 2020 - June 30, 2021	2021-716685-DPI-ESSERF-160		84.425D		3,950,307	-	717,699	795,032
COVID-19 - Elementary and Secondary School Emergency Relief II July 1, 2020 - June 30, 2021	2021-716685-DPI-ESSERF-163		84.425D		2,376,311	-	-	2,199,918
Total Education Stabilization Fund					-	717,699	2,994,950	2,277,251
Title I-A - Grants to Local Educational Agencies July 1, 2019 - June 30, 2020	2020-716685-DPI-TIA-141		84.010A	N/A	590,860	590,860	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-TIA-141				1,008,697	-	342,054	951,355
Career and Technical Education - Basic Grants to States July 1, 2019 - June 30, 2020	2020-716685-DPI-CTE-400		84.048	N/A	5,902	5,902	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-CTE-400				41,774	-	29,399	36,801
Title X-C - Education for Homeless Children and Youth July 1, 2019 - June 30, 2020	2020-716685-DPI-EHCY-335		84.196A	N/A	45,312	46,399	1,087	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-EHCY-335				35,000	-	8,321	31,347
Title II-A - Supporting Effective Instruction State Grant July 1, 2019 - June 30, 2020	2020-716685-DPI-TIIA-365		84.367A	N/A	100,631	100,631	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-TIIA-365				171,547	-	48,700	155,740
Title IV-A Student Support and Academic Enrichment Grants July 1, 2019 - June 30, 2020	2020-716685-DPI-TIVA-381		84.424A	N/A	2,935	2,935	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-TIVA-381				61,074	-	-	46,985
Title III-A - English Language Acquisition Grants July 1, 2019 - June 30, 2020	2020-716685-DPI-TIIIA-391		84.365A	N/A	8,834	8,834	-	-
July 1, 2020 - June 30, 2021	2021-716685-DPI-TIIIA-391				20,517	-	-	17,754
Mid-State Technical College								
Tech Prep Education July 1, 2020 - June 30, 2021	None		84.048	N/A	-	1,400	1,400	-
TOTAL U.S. DEPARTMENT OF EDUCATION					<u>1,491,693</u>	<u>3,139,671</u>	<u>5,514,236</u>	<u>3,866,258</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
<u>Medicaid Cluster</u>								
Medical Assistance July 1, 2019 - June 30, 2020	None		93.778	N/A	4,052	4,052	-	-
July 1, 2020 - June 30, 2021	None				-	504,635	549,310	44,675
Total Medicaid Cluster					4,052	508,687	549,310	44,675
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>4,052</u>	<u>508,687</u>	<u>549,310</u>	<u>44,675</u>
TOTAL FEDERAL ASSISTANCE					<u>\$ 1,731,756</u>	<u>\$ 7,020,414</u>	<u>\$ 9,367,753</u>	<u>\$ 4,079,095</u>

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH		RECEIVABLE			RECEIVABLE	
	ENTITY	STATE	(UNEARNED	REVENUE		(UNEARNED	SUBRECIPIENT
	IDENTIFYING	I.D.	REVENUE)	GRANTOR	EXPENDITURES	REVENUE)	PASS-THROUGH
	NUMBER	NUMBER	JULY 1, 2020	REIMBURSEMENTS		JUNE 30, 2021	EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	716685-100	255.101	\$ -	\$ 3,059,871	\$ 3,059,871	\$ -	\$ -
State School Lunch Aid	716685-107	255.102	-	25,896	25,896	-	-
Common School Fund Library Aid	716685-104	255.103	-	253,371	253,371	-	-
Bilingual/Bicultural Aid	716685-111	255.106	-	39,439	39,439	-	-
General Transportation Aid	716685-102	255.107	-	153,674	153,674	-	-
General Aids Cluster							
Equalization Aid	716685-116	255.201	565,970	36,383,865	36,399,149	581,254	-
High Cost Special Education Aid	716685-119	255.210	-	20,169	20,169	-	-
Aid for School Mental Health Programs	716685-176	255.227	-	29,477	29,477	-	-
Supplemental Per Pupil Aid	716685-181	255.245	-	15,067	15,067	-	-
School Based Mental Health Services Grant	716685-177	255.297	43,890	43,890	101,459	101,459	-
Peer Review and Mentoring	716685-141	255.301	24,957	24,957	17,187	17,187	-
AODA Program Grants - Cool To Be Kind	716685-142	255.321	1,000	1,999	999	-	-
School Breakfast Program	716685-108	255.344	-	17,660	17,660	-	-
Financial Literacy Reality Store Model	716685-146	255.367	4,893	4,893	-	-	-
Early College Credit Program	716685-178	255.445	-	99	99	-	-
Student Achievement Guarantee in Education	716685-160	255.504	-	1,743,002	1,743,002	-	-
Educator Effectiveness Evaluation System	716685-154	255.940	-	31,120	31,120	-	-
Per Pupil Aid	716685-113	255.945	-	3,678,836	3,678,836	-	-
Career and Technical Education Incentive	716685-152	255.950	-	54,240	54,240	-	-
Assessments for Reading Readiness	716685-166	255.956	-	7,866	7,866	-	-
Aid for Special Education Transition Grants	716685-168	255.960	-	26,000	26,000	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			640,710	45,615,391	45,674,581	699,900	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Wisconsin Fast Forward Teacher Training and Development Grant							
Mid-State Technical College	None	445.109	8,066	12,362	4,296	-	-
Youth Apprenticeship Grant	None	445.107	-	2,000	2,000	-	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			8,066	14,362	6,296	-	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES							
Payment in Lieu of Taxes							
	None	None	-	21,499	21,499	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Personal Property Aid							
	None	None	-	138,634	138,634	-	-
Exempt Computer Aid							
	None	None	139,645	139,645	139,645	139,645	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			139,645	278,279	278,279	139,645	-
WISCONSIN DEPARTMENT OF JUSTICE							
School Safety Initiative							
	None	455.206	43,608	48,288	4,680	-	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 832,029	\$ 45,977,819	\$ 45,985,335	\$ 839,545	\$ -

The accompanying notes are an integral part of these statements.

WISCONSIN RAPIDS PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2021

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 Wisconsin Rapids Public Schools. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents Program

2020-2021 eligible costs under the State Special Education Program are \$11,259,975.

NOTE 4 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**WISCONSIN RAPIDS PUBLIC SCHOOLS
WISCONSIN RAPIDS, WISCONSIN**

OTHER 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
Wisconsin Rapids Public Schools
Wisconsin Rapids, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wisconsin Rapids Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Wisconsin Rapids Public Schools' basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wisconsin Rapids Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wisconsin Rapids Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Wisconsin Rapids Public Schools' 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 did identify certain deficiencies in internal control, 2021-001 and 2021-002, described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

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

Wisconsin Rapids Public Schools' Responses to Findings

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

Purpose of this Report

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
November 30, 2021



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

To the Board of Education
Wisconsin Rapids Public Schools
Wisconsin Rapids, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the Wisconsin Rapids Public Schools (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

HAWKINS ASH CPAS, LLP



Manitowoc, Wisconsin
November 30, 2021

WISCONSIN RAPIDS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant deficiency(ies) identified not considered to be material weaknesses? Yes None reported

Noncompliance material to the financial statements? Yes No

Federal Awards

Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant deficiency(ies) identified not considered to be material weaknesses? Yes 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 Uniform Guidance? Yes No

Identification of major federal programs:

Assistance Listing Number
 84.027A / 84.173A
 84.425D

Name of Federal Program or Cluster
 Special Education Cluster
 Elementary and Secondary School Emergency Relief

State Assistance

Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant deficiency(ies) identified not considered to be material weaknesses? Yes 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 *State Single Audit Guidelines*? Yes No

WISCONSIN RAPIDS PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
 JUNE 30, 2021

Section I - Summary of Auditors' Results - Continued

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aid
255.945	Per Pupil Aid

Dollar threshold used to distinguish between:

Type A and Type B federal programs:	\$750,000
Type A and Type B state programs:	\$250,000

Auditee qualified as a low-risk auditee? X Yes No

Section II - Financial Statement Findings and Questioned Costs

2021-001 - Preparation of Financial Statements

Program: District-Wide.

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2020-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

WISCONSIN RAPIDS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2021

Section II - Financial Statement Findings and Questioned Costs - Continued

2021-002 - Significant Audit Adjustments - Non-Referendum Debt Service Fund

Program: District-Wide

Criteria: Generally accepted accounting principles.

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Isolated instance.

Prior Year Finding: This was not a prior year finding.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

Management's Response: This activity took place during a year of management transition, and the District has since incorporated financial reporting internal controls to detect such significant adjustments. This will prevent future misstated financial reports and increase the accuracy of interim financial reporting.

Section III - Federal and State Award Findings and Questioned Costs

None.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
JUNE 30, 2021

Summary Schedule of Prior Audit Findings

2020-001 Preparation of Financial Statements - Repeat. Initially occurred 6/30/09.

Corrective Action Plan

2021-001 - Preparation of Financial Statements - Contact: Aaron Nelson, Director of Business Services. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2021-002 - Significant Audit Adjustments - Contact: Aaron Nelson, Director of Business Services. Completion date: June 30, 2022. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments. District management will review and approve the audit adjustments.