

**WAUNAKEE COMMUNITY SCHOOL DISTRICT  
BOARD OF EDUCATION BUDGET COMMITTEE MEETING**

Tuesday, January 4, 2022

6:00 PM

Waunakee Community School District  
905 Bethel Circle  
Waunakee, WI 53597

members of the public may attend Board of Education meetings in-person, and will be asked to check in with District personnel when you arrive.

Public comments will be limited to 3 minutes. The Board will allow 30 Minutes for public comments.

Public comments may be sent to Rebecca McDonough

at [district\\_administrator@waunakee.k12.wi.us](mailto:district_administrator@waunakee.k12.wi.us) up to one hour before the start of the Board meeting. All comments will be reviewed by the Board members. Emailed comments will be reviewed by the board but not read out loud. Emailed comments sent during any part of the board meeting (Board Development, Closed session, Open session) will be forwarded to the board but may or may not be reviewed by the board until after the board adjourns. Comments must include the commentator's name, address, and must identify their connection to the District (if any) and any group they are representing in order to be considered by the Board.

If you would like to address the Board in-person during the public comments section of the meeting, you will be greeted in the lobby of the building, asked to check in with District personnel when you arrive so that you can be recognized and address the Board when your name is called.

A recording of the meeting will be posted on the District webpage within 24 hours of the meeting time.

A quorum of the Board may be present

**AGENDA**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF AGENDA**

**IV. PUBLIC COMMENTS**

**V. 2021-2022 BUDGET UPDATE**

**A. End of the Year Balance Projection**

The purpose of this agenda item is to review the projected end of the year balance. The 21-22 Fund 10 budget approved by the School Board in October was balanced and included a \$100,000 contingency. As of the end of December, no expenditures have come from the contingency fund and no other significant changes to the budget have taken place. Administration will begin detailed projections for the end of the year balance during the early part of Spring 2022.

**VI. 2022-2023 BUDGET PLANNING**

**A. Timeline**

The purpose of this agenda item is to discuss the draft of the 2022-2023 budget process. Attached please find the budget timeline.

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B. Budget Planning Between School Board Committees

The purpose of this agenda item is to discuss budget planning coordination between School Board committees. In the last two months, the School Board has acted on financial proposals from both the Curriculum Committee and the Co-Curricular Committee and these financial proposals were not connected to the three-year planning process that has been recommended by the Budget Committee. Administration is requesting a discussion with the Budget Committee regarding future alignment of Board Committee work and the three-year planning process requested by the Budget Committee.

C. Review Budget Planning Process 5

The purpose of this agenda item is to review a draft of the budget planning process for 2022-23. Attached please find the preliminary Budget Planning Process document for 2022-23. This document is based on the enrollment planning model recommended by the Budget Committee. Administration will review this document with the Committee and discuss the next steps in the 2022-23 budget planning process. We look forward to hearing your feedback.

D. Open Enrollment Capacity Options 18

The purpose of this agenda item is to review the District open enrollment policy. The School Board is required to identify the number of open enrollment spaces available per grade level at the January meeting. Our open enrollment policy is based on the optimal class size level, not the maximum class size level. The State Budget for 2022-23 is based on a \$0 per pupil increase in the revenue limit formula. Administration is seeking feedback from the Budget Committee on this topic, specifically whether or not additional capacity for open enrollment students should be considered in the 2022-23 school year as an option for increasing revenues. Administration will share some examples as to the methodology for calculating the number of open enrollment spaces and how this methodology is connected to the enrollment planning scenarios discussed in a prior agenda item, as well as optimal vs maximum class size levels.

E. 2022-23 Budget Planning/November 2022 Referendum Planning 25

The purpose of this agenda item is to discuss the connection between our 2022-23 budget planning process and the November 2022 referendum planning process. Administration will share initial thoughts as to how these two processes are connected and we will be seeking committee member feedback during this discussion.

**VII. DISCUSSION/ACTION ON PROPOSALS**

There are no proposals for review this month.

**VIII. OTHER ITEMS FOR DISCUSSION**

None.

A. 2020-2021 Audit Report 26

The purpose of this agenda item is to review the 2020-21 audit report. Please recall this is the first year of receiving an audit report from Wipfli as our prior audit firm decided to discontinue services for public school auditing.

Attached please find the audit report as well as the required School Board Communication report. Please note the auditors' recommendation on pages 4-5 to conduct a "cyber security assessment". Administration will be seeking feedback from the Committee on this topic.

**B. School Board Financial Report**

The purpose of this agenda item is to review School Board member interest in the monthly financial reports from the Wellness Clinic. I am seeking information as to whether or not the School Board members want to continue receiving the following two reports:

1. Wellness Clinic Monthly Expenses
2. SSM Monthly Report

You can reference these reports in the December School Board Meeting BoardBook. We are certainly willing to continue providing these reports on a monthly basis, or here is a possible alternative:

1. A summary of the Wellness Clinic budget is included as a line item in the Monthly BOE Financial Report.
2. The SSM monthly report could be shared with the Insurance Committee on a periodic basis.

Administration is seeking feedback on this potential change.

**IX. FUTURE AGENDA ITEMS**

**X. ADJOURN**

“Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires assistance with access or materials should contact the Waunakee Community School District Office at 849-2000, 905 Bethel Circle Drive Waunakee, WI 53597, at least twenty-four hours prior to the commencement of the meeting so that necessary arrangements can be made to accommodate the request.”

## I. 2022-2023 BUDGET TIMELINE

December 6	Review enrollment projection scenarios with the Budget Committee Review budget planning process with the Budget Committee
December 14	Review budget planning process with the Administrative Cabinet
December 15	Open budget planning process to Administrative Cabinet
January 3-7	Review expenditure projection scenarios with the Budget Committee
<b>January 14</b>	<b>Budget planning process staffing requests due</b>
February 7-11	Present first draft of the budget planning process to the Budget Committee
March 7-11	Present second draft of the budget planning process to the Budget Committee
March 14	Present budget planning process to the School Board for approval
March 15	Distribute approved budget planning process to the administrative cabinet
March 16 – Apr. 14	Building/department level budget development
<b>April 14</b>	<b>Budget planning process non-staffing budget requests due</b>
April 25-29	Special School Board/Leadership Team meeting to review 2022-23 budget process
April 4-22	Preparation of the first draft of the budget Budget meetings with administrators as necessary
May 2-6	First draft of the budget to the Budget Committee
May 9	First draft of the budget to the School Board School Board approves 2022-23 student fees School Board approves 2022-23 insurance benefits
May 10-27	Staff presentations on the budget process
June 6-10	Second draft of the budget to the Budget Committee
June 13	Second draft of the budget to the School Board
July 1	State equalization aid estimates released by DPI
July 5-8	Third draft of the budget to the Budget Committee
July 11	Third draft of the budget to the School Board Public hearing on the budget during School Board meeting School Board approves budget to allow for summer activity
September 16	Third Friday in September student count
October 15	State equalization aid certification released by DPI
October 17	Presentation of the approved budget at the annual school district Budget Hearing. Request public approval of the tax levy at the Annual Meeting.
October 18-21	Present budget changes and tax levy changes to the Budget Committee
October 24	School Board makes any changes to the budget and sets the tax levy on or before November 1
Before Nov. 10	Certify tax levy by the School Board Clerk



**Waunakee Community School District**

Committed to Children . Committed to Community . Committed to Excellence

**Preliminary  
Budget Planning  
2022-23 School Year**

DRAFT

Budget Committee Meeting  
January 4, 2022

## I. 2022-2023 BUDGET TIMELINE

December 6	Review enrollment projection scenarios with the Budget Committee Review budget planning process with the Budget Committee
December 14	Review budget planning process with the Administrative Cabinet
December 15	Open budget planning process to Administrative Cabinet
January 4	Review expenditure projection scenarios with the Budget Committee
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October 17	Presentation of the approved budget at the annual school district Budget Hearing. Request public approval of the tax levy at the Annual Meeting.
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II. ENROLLMENT HISTORY

History

Grade	2017-18	2018-19	2019-20	2020-21	2021-22
EC	9	15	12	4	12
4K	262	274	240	268	270
K	270	290	283	256	295
1	280	280	298	272	278
2	283	298	278	298	297
3	325	288	315	270	304
4	283	340	303	310	285
<b>TOTAL</b>	<b>1712</b>	<b>1785</b>	<b>1729</b>	<b>1678</b>	<b>1741</b>
<b>ELEM</b>					
5	278	289	349	309	326
6	312	288	299	342	318
<b>TOTAL</b>	<b>590</b>	<b>577</b>	<b>648</b>	<b>651</b>	<b>644</b>
<b>INTER.</b>					
7	326	328	304	295	349
8	331	328	341	305	303
<b>TOTAL</b>	<b>657</b>	<b>656</b>	<b>645</b>	<b>600</b>	<b>652</b>
<b>MIDDLE</b>					
9	345	346	339	343	316
10	312	345	347	338	348
11	309	311	342	343	341
12	331	320	326	353	349
<b>TOTAL</b>	<b>1297</b>	<b>1322</b>	<b>1354</b>	<b>1377</b>	<b>1354</b>
<b>HIGH</b>					
<b>TOTAL</b>	<b>4256</b>	<b>4340</b>	<b>4376</b>	<b>4306</b>	<b>4391</b>
<b>DISTRICT</b>					

Enrollment History is from the Third Friday in September Count (Residents plus Open Enrollment-In)

Enrollment Increase “New” Students

- **2017-18**            **2.4%**
- **2018-19**            **1.5%**
- **2019-20**            **1.2%**
- **2020-21**            **-1.9%**
- **2021-22**            **1.1%**
- **Five year average is 0.86%**

Enrollment increase is calculated by removing the 12th grade students, adding in K students, and adding in 20 students in 7th grade (St. John’s students). The difference between years is the increase in “new” students.

III. STAFFING

Staffing Classrooms K-6 – Ratios

2021-22 School Year

Grade	Total Sept 2021 enrolled	Sections				Student/Teacher Ratio	Optimum Class size*	Average Class size		
		Total	Arboretum	Heritage	Prairie			Arboretum	Heritage	Prairie
K	295	14	4	5	5	21.1	20	21.5	21.6	20.2
1	278	14	4	5	5	19.9	20	21.0	19.2	19.6
2	297	15	4	6	5	19.8	20	20.5	20.2	18.8
3	304	14	4	5	5	21.7	23	22.0	21.8	21.4
4	285	14	4	5	5	20.4	23	23.8	15.8	22.2
5	326	14				23.3	23			
6	318	14				22.7	23			
Total K-4	1459		20	26	25					

\*The optimum class size is per Board Policy.

There are two virtual teachers who work between all 3 buildings and all grade levels. There are 11 students enrolled. Their grade levels are: KG – 2; First – 1; Second – 1; Third – 5; Fourth – 2.

2021-22 Staffing Ratios

<u>School</u>	<u>Staff</u>	<u>Students</u>	<u>Ratio</u>
Arboretum	30.00	435 *	14.50
Prairie	38.00	511 *	13.45
Heritage	36.50	525 *	14.38
Intermediate	45.69	644	14.09
Middle School	50.18	652	12.99
High School	90.17	1354	15.02
Students with Disabilities	72.00	4391 **	60.99

\* Does not include Early Childhood and 4K

\*\*Students with Disabilities ratio is based on total enrollment

Historical Staffing Ratios

<u>School</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
Arboretum	15.39	15.66	15.55	14.55	14.50
Prairie	14.44	15.48	14.44	14.44	13.45
Heritage	14.71	16.14	15.97	14.47	14.38
Intermediate	13.20	13.42	14.24	13.64	14.09
Middle School	13.50	14.58	13.72	13.72	12.99
High School	14.73	15.74	15.87	15.33	15.02
Students with Disabilities	82.56	65.21	63.85	63.84	60.99

K-4 ratios do not include Early Childhood and 4K

SWD ratio is based on total enrollment

## IV. BUDGET FORECAST

### Benefits of a Budget Forecast

- Recognize enrollment trends and the budgetary and facility impact
- Understand revenue trends including the property tax impact
- Understand expenditure trends
- Realize the future impact of current fiscal decisions
- Explore the outcomes of different data scenarios

### Steps in the Budget Forecast

- Use enrollment projections to predict future enrollment scenarios
- Estimate revenue increases based on enrollment scenarios
- Estimate expenditure increases
- Analyze the outcomes and plan accordingly

### Assumptions Made

- Current school finance system continues (revenue caps and per pupil aid)
- Enrollment projection scenarios are close to actual
- Salary costs increase at 3%
- Health costs increase at 0%
- Dental costs increase at 0%
- Non-personnel costs do not increase except transportation (3%) and utilities (3%)
- 22-23 Revenues are based on the 2021-22 State Budget.
- Savings from staff retirements is not included

# Waunakee Community School District

## Five Year Enrollment Projections

Grade	Scenario 3 - 5-Year Average			
	Residents	OE In	Total Students	OE Out
EC	11	1	12	0
4K	230	28	258	6
Kdg	260	20	280	1
1st	283	22	305	1
2nd	265	23	288	2
3rd	286	17	303	1
4th	301	13	314	8
5th	271	24	295	0
6th	322	12	334	3
7th	310	17	327	1
8th	343	12	355	0
9th	299	17	316	5
10th	306	11	317	6
11th	327	24	351	1
12th	339	16	355	6
<b>Totals</b>	<b>4153</b>	<b>257</b>	<b>4410</b>	<b>41</b>

Change in enrollment

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V. 2022-23 PLANNING

Enrollment Information/Projection

Grade	September 2021 Count				Scenario 3 - 5-Year Average			
	Residents	OE In	Total Students	OE Out	Residents	OE In	Total Students	OE Out
EC	11	1	12	0	11	1	12	0
4K	244	26	270	2	230	28	258	6
Kdg	271	24	295	1	260	20	280	1
1st	256	22	278	2	283	22	305	1
2nd	279	18	297	1	265	23	288	2
3rd	290	14	304	5	286	17	303	1
4th	263	22	285	0	301	13	314	8
5th	316	10	326	3	271	24	295	0
6th	301	17	318	2	322	12	334	3
7th	337	12	349	0	310	17	327	1
8th	290	13	303	4	343	12	355	0
9th	305	11	316	4	299	17	316	5
10th	329	19	348	1	306	11	317	6
11th	328	13	341	5	327	24	351	1
12th	329	20	349	8	339	16	355	6
<b>Totals</b>	<b>4149</b>	<b>242</b>	<b>4391</b>	<b>38</b>	<b>4153</b>	<b>257</b>	<b>4410</b>	<b>41</b>

- OE is open enrollment students attending WCSD

Staffing Classrooms K-12 – Ratios

PRELIMINARY PROJECTIONS 2022-23

<u>K</u>	-	280	14 Sections [no change]	20.0 to 1	(20)
<u>1</u>	-	305	14 Sections [no change]	21.8 to 1	(20)
<u>2</u>	-	288	14 Sections [-1 Section]	20.6 to 1	(20)
<u>3</u>	-	303	15 Sections [+1 Section]	20.2 to 1	(23)
<u>4</u>	-	314	14 Sections [no change]	22.4 to 1	(23)
<u>5</u>	-	295	14 Sections [no change]	21.1 to 1	(23)
<u>6</u>	-	334	14 Sections [no change]	23.9 to 1	(23)

Our headcount estimates indicates no change in sections for grades K-6.

7 <sup>th</sup> – 8 <sup>th</sup> grade	21-22	652 students/12.99 = 50.18 FTE
	22-23	682 students/12.99 = 52.50 FTE
9 <sup>th</sup> – 12 <sup>th</sup> grade	21-22	1,354 students/15.02 = 90.17 FTE
	22-23	1,340 students/15.02 = 89.21 FTE

7<sup>th</sup> – 12<sup>th</sup> grade +1.36 FTE

The actual increase for grades 7-12 will be evaluated during the student registration process.

Staffing/Student Classrooms K-6 – Ratios

**Projections 2022-23/Compared to 2021-22 Actual**

<b><u>K</u></b>	-	<b><u>14 Sections- (no change)</u></b>		
		Arboretum-	4	
		Heritage-	5	
		Prairie-	5	
<b><u>1</u></b>	-	<b><u>14 Sections- (no change)</u></b>		
		Arboretum-	4	
		Heritage-	5	
		Prairie-	5	
<b><u>2</u></b>	-	<b><u>14 Sections- (- 1 section at Heritage)</u></b>		
		Arboretum-	4	
		Heritage-	5	
		Prairie-	5	
<b><u>3</u></b>	-	<b><u>15 Sections- (+ 1 section at Heritage)</u></b>		
		Arboretum-	4	
		Heritage-	6	
		Prairie-	5	
<b><u>4</u></b>	-	<b><u>14 Sections- (no change)</u></b>		
		Arboretum-	4	
		Heritage-	5	
		Prairie-	5	
<b><u>K-4</u></b>	-	<b><u>Total (estimates indicate a -1.0 FTE in grades K-4)</u></b>		
		Arboretum-	20	
		Heritage-	26	
		Prairie-	25	
<b><u>Intermediate</u></b>				
<b><u>5</u></b>	-	<b><u>14 Sections</u></b>	}	<i>(estimates indicate a 0 FTE at grades 5-6)</i>
<b><u>6</u></b>	-	<b><u>14 Sections</u></b>		

Staffing Classrooms K-6 – Ratios

**2022-23 School Year**

Grade	Total Projected 2021 Enrollment	Sections				Student/Teacher Ratio	Optimum Class size*	Average Class size		
		Total	Arboretum	Heritage	Prairie			Arboretum	Heritage	Prairie
K	280	14	4	5	5	20.0	20	20.0	20.0	20.0
1	305	14	4	5	5	21.8	20	22.3	22.4	20.8
2	288	14	4	5	5	20.6	20	21.8	20.0	20.2
3	303	15	4	6	5	20.2	23	21.0	20.5	19.2
4	314	14	4	5	5	22.4	23	22.8	22.6	22.0
5	295	14				21.1	23			
6	334	14				23.9	23			
Total K-4	1490		20	26	25					

\*The optimum class size is per Board Policy.

**Fund 10 – “Big Picture Overview”**

**Revenue Increases:**

Total revenue increase **\$107,683**

**Expenditure Increases:**

Salaries (includes salary-related benefits) – All Staff	\$1,024,547	3.0% increase
Benefits (health & dental at 0%; 3% salary increase) - All Staff	\$153,682	1.2% increase
Special Ed Positions New in 21-22 (ESSER3 continued)	\$0	4 FTE
New FTE per enrollment calculations	\$88,400	1.36 FTE
Transportation	\$47,896	3% Increase
Utilities	\$31,260	3% Increase
Open enrollment – out students	\$0	To be determined
Supplies	\$0	0%
Property/Liability Insurance	\$0	0%
Total expenditure increase	<b>\$1,345,785</b>	

**Balance** **(\$1,238,102)**

NOTES:

The transportation budget could be reduced by \$45,000 per route.

A decision needs to be made about the 2 FTE staff currently providing virtual ed services.

A decision needs to be made regarding the District contribution to Fund 73 (\$557,476.00).

Expenditures from a variety of budgets could be delayed based on priority decisions made by the School Board.

# Waunakee Community School District

## Sample Scenario

### Revenue Increases:

Total revenue increase **\$107,683**

### Expenditure Increases:

Salaries (includes salary-related benefits) – All Staff	\$1,024,547	3.0% increase
Benefits (health & dental at 0%; 3% salary increase) - All Staff	\$153,682	1.2% increase
Special Ed Positions New in 21-22 (ESSER3 continued)	\$0	4 FTE
New FTE per enrollment calculations	\$88,400	1.36 FTE
Transportation	\$47,896	3% Increase
Utilities	\$31,260	3% Increase
Open enrollment – out students	\$0	To be determined
Supplies	\$0	0%
Property/Liability Insurance	\$0	0%
Total expenditure increase	<b>\$1,345,785</b>	

### **Balance**

**(\$1,238,102)**

### Expenditure Decreases:

Salaries (remove inflationary increase until a later date)	-\$500,000	Estimated
Benefits (health & dental at 0%; remove inflationary increase) - All Staff	-\$75,000	Estimated
Special Ed Positions New in 21-22 (ESSER3 continued)	\$0	4 FTE
New FTE per enrollment calculations	-\$88,400	1.36 FTE
Transportation	-\$90,000	remove 2 routes
Utilities	\$0	no change
Open enrollment – out students	\$0	To be determined
Supplies	\$0	0%
Property/Liability Insurance	\$0	0%
Fund 73 contribution	-\$557,476	
Eliminate two FTE for virtual education	-\$130,000	
Delay copy machine replacement	-\$60,000	
Delay technology equipment replacement	-\$250,000	
Delay building/department expenditures	-\$250,000	
Total expenditure decrease	<b>-\$2,000,876</b>	

### **Balance**

**\$762,774**

Open Enrollment Capacity for the 2022-23 School Year

SCENARIO 1

	ESTIMATED ENROLLMENT	NUMBER OF SECTIONS	CLASS SIZE	OPTIMAL CLASS SIZE	OPENINGS	OPEN ENROLLMENT OPENINGS AVAILABLE
<b>4K-4 TOTALS</b>						
4K	258	14	18.43	20	280	22
FULL DAY KINDERGARTEN	280	14	20.00	20	280	0
FIRST GRADE	295	14	21.07	20	280	0
SECOND GRADE	278	14	19.86	20	280	2
THIRD GRADE	297	15	19.80	23	345	48
FOURTH GRADE	304	14	21.71	23	322	18
<b>ELEMENTARY TOTALS</b>	<b>1712</b>					
<b>INTERMEDIATE</b>						
FIFTH GRADE	285	14	20.36	23	322	37
SIXTH GRADE	326	14	23.29	23	322	0
<b>BUILDING TOTAL</b>	<b>611</b>					
<b>MIDDLE SCHOOL</b>						
SEVENTH GRADE	318	15	21.20	22	330	12
EIGHTH GRADE	349	17	20.53	22	374	25
<b>BUILDING TOTAL</b>	<b>667</b>					
<b>HIGH SCHOOL</b>						
NINTH GRADE	303	13	23.31	22	286	0
TENTH GRADE	316	13	24.31	22	286	0
ELEVENTH GRADE	348	13	26.77	22	286	0
TWELFTH GRADE	341	14	24.36	25	350	9
<b>BUILDING TOTAL</b>	<b>1308</b>					
<b>GRAND TOTAL</b>	<b>4298</b>					

Nonresident students who are currently enrolled in Waunakee (because their family moved out of the district) and siblings of nonresident students currently enrolled in Waunakee will be guaranteed acceptance .

Open Enrollment Capacity for the 2022-23 School Year

Alternative  
SCENARIO 3

	ESTIMATED ENROLLMENT	NUMBER OF SECTIONS	CLASS SIZE	OPTIMAL CLASS SIZE	OPENINGS	OPEN ENROLLMENT OPENINGS AVAILABLE
<b>4K-4 TOTALS</b>						
4K	258	14	18.43	20	280	22
FULL DAY KINDERGARTEN	280	14	20.00	20	280	0
FIRST GRADE	305	14	21.79	20	280	0
SECOND GRADE	288	14	20.57	20	280	0
THIRD GRADE	303	15	20.20	23	345	42
FOURTH GRADE	314	14	22.43	23	322	8
<b>ELEMENTARY TOTALS</b>	<b>1748</b>					
<b>INTERMEDIATE</b>						
FIFTH GRADE	295	14	21.07	23	322	27
SIXTH GRADE	334	14	23.86	23	322	0
<b>BUILDING TOTAL</b>	<b>629</b>					
<b>MIDDLE SCHOOL</b>						
SEVENTH GRADE	327	15	21.80	22	330	3
EIGHTH GRADE	355	17	20.88	22	374	19
<b>BUILDING TOTAL</b>	<b>682</b>					
<b>HIGH SCHOOL</b>						
NINTH GRADE	316	13	24.31	22	286	0
TENTH GRADE	317	13	24.38	22	286	0
ELEVENTH GRADE	351	13	27.00	22	286	0
TWELFTH GRADE	355	14	25.36	25	350	0
<b>BUILDING TOTAL</b>	<b>1339</b>					
<b>GRAND TOTAL</b>	<b>4398</b>					

Nonresident students who are currently enrolled in Waunakee (because their family moved out of the district) and siblings of nonresident students currently enrolled in Waunakee will be guaranteed acceptance .

Open Enrollment Capacity for the 2022-23 School Year

Alternative #2  
CHANGE CLASS SIZE POLICY

	ESTIMATED ENROLLMENT	NUMBER OF SECTIONS	CLASS SIZE	OPTIMAL CLASS SIZE	OPENINGS	OPEN ENROLLMENT OPENINGS AVAILABLE
<b>4K-4 TOTALS</b>						
4K	258	14	18.43	21	294	36
FULL DAY KINDERGARTEN	280	14	20.00	21	294	14
FIRST GRADE	305	14	21.79	21	294	0
SECOND GRADE	288	14	20.57	21	294	6
THIRD GRADE	303	15	20.20	24	360	57
FOURTH GRADE	314	14	22.43	24	336	22
<b>ELEMENTARY TOTALS</b>	<b>1748</b>					
<b>INTERMEDIATE</b>						
FIFTH GRADE	295	14	21.07	24	336	41
SIXTH GRADE	334	14	23.86	24	336	2
<b>BUILDING TOTAL</b>	<b>629</b>					
<b>MIDDLE SCHOOL</b>						
SEVENTH GRADE	327	15	21.80	23	345	18
EIGHTH GRADE	355	17	20.88	23	391	36
<b>BUILDING TOTAL</b>	<b>682</b>					
<b>HIGH SCHOOL</b>						
NINTH GRADE	316	13	24.31	23	299	0
TENTH GRADE	317	13	24.38	23	299	0
ELEVENTH GRADE	351	13	27.00	23	299	0
TWELFTH GRADE	355	14	25.36	26	364	9
<b>BUILDING TOTAL</b>	<b>1339</b>					
<b>GRAND TOTAL</b>	<b>4398</b>					

Nonresident students who are currently enrolled in Waunakee (because their family moved out of the district) and siblings of nonresident students currently enrolled in Waunakee will be guaranteed acceptance .

**FULL-TIME OPEN ENROLLMENT PROGRAM**  
(Inter-District)

423

Nonresident students residing within the State of Wisconsin shall be permitted to enroll in the district through an open enrollment program consistent with the terms of this Board policy upon application to the District following the procedures set forth in Policy 423, Rule-1.

I. DEFINITIONS

The following definitions will apply to the District's Open Enrollment Program.

- A. Nonresident District  
A school district located in Wisconsin which is not a student's district of residence.
- B. Nonresident Student  
A student who is a resident or otherwise legally entitled to attend school in another school district in Wisconsin who seeks admission to this District under the Open Enrollment Program.
- C. Tuition Student  
A nonresident student who is a resident of the State of Wisconsin and tuition is being paid in accordance with statute.
- D. Full-time Enrollment  
Refer to Policy 412.1 – Full-Time Students  
A student is enrolled for the entire school day and receives all of his/her required education in this district.
- E. Course Options  
Limited to high school students who may participate in no more than two (2) courses at any one time offered by this district. See Policy 423.1.
- F. Class Size  
The district's determination of the maximum number of students who can be enrolled in a particular classroom without jeopardizing the quality of the instructional program. Mitigating circumstances for a particular school, class, or program, including enrollment projections established by the Superintendent or his/her designee may be considered in establishing the limit.

- G. Program Size  
The enrollment or size restrictions in a specific program within a class or building. The district reserves the exclusive right to establish program size and to limit enrollment based upon the capability to properly allocate available resources, create and maintain a proper learning environment, and comply with contracts, grants, and applicable laws and regulations.
- H. Resident Student  
A student who is a resident of the Waunakee Community School District and is consequently entitled to attend school in this district in accordance with policy.
- I. Building Capacity  
The maximum number of students who can be enrolled in a school building as determined by the Board.

## II. ENROLLMENT OF NONRESIDENT STUDENTS

### **Determination of Space Availability**

- A. Annually at a meeting in January, the Board shall establish the number of regular education and special education spots available for nonresident student attendance at each grade level as well as each school, program, and class for the following school year. The Superintendent or his/her designee shall develop and present to the Board for approval the available spots considering the following:
  - 1. Class size limits as established by the Board Policy 423, Rule-1.
  - 2. Desired pupil-teacher ratios
  - 3. Enrollment projections including resident students and the following students in the count of occupied spaces:
    - a. Pupil's paying tuition to attend school in the district
    - b. Pupil's and siblings of pupil's already attending school in the district through the open enrollment program
- B. Applications received for a grade level for which no spots are available will not be further considered for open enrollment for the applicable school year.

### **Criteria for Selection of Students for Open Enrollment**

- A. Any nonresident student that meets one or more of the following criteria will not be eligible for open enrollment:

1. The student has applied for open enrollment into a program, class, or grade level for which no space is available.
2. The student has been expelled from school by any school district for the current or two (2) preceding school years for any of the following reasons or has a disciplinary proceeding involving the student, based on any of the following reasons, is pending:
  - conveying, or causing to be conveyed any threat or false information concerning an attempt or alleged attempt being made or to be made to destroy any school property by means of explosives.
  - engaging in conduct while at school or while under supervision of a school authority that endangered the health, safety, or property of others.
  - engaging in conduct while not at school or while not under the supervision of a school authority that endangered the health, safety, or property of others at school or under the supervision of a school authority or of any employee of this school district or member of the school board.
  - possessing a dangerous weapon, as defined in s. 939.22(10), while at school or while under the supervision of a school authority.

The superintendent or his/her designee shall make the decision based on the circumstances involved. Other statutory provisions regarding the enrollment of students who have been expelled from school will also apply to this program.

The superintendent or his/her designee may inform the parent of non-acceptance for any of the above-stated reasons any time prior to the beginning of the school year.

3. The special education program or related services described in the child's individualized education program is not available in the district.
4. The student has been referred to the resident school board or identified by the resident school board for evaluation or receipt of special education or related services, but is not yet evaluated by an IEP team appointed by the resident district.
5. The Board determines that the student was habitually truant during any semester of attendance in the District during the current or previous school year.

- Applicants for open enrollment shall be subject to the same rules for determining habitual truancy as resident pupils are subject. Those rules are found in Board Policy 430, Rule 4 and the attendance rules regarding unexcused absences in Policy 430, Rule 2.
  - If the student accumulates unexcused absences sufficient to be designated as habitual truant during a school year in which the student is open enrolled and the student or parent/guardian has been informed of the habitual truancy as provided in Policy 430, Rule 4, the student's habitual truancy may be a basis to terminate a student's open enrollment during the school year upon a recommendation of the Superintendent or designee to the Board.
- B. A student shall be guaranteed open enrollment acceptance if the student is already attending school in the district or his/her sibling is already attending school in the district, even if space is not available. This guarantee does not apply to the sibling of a current open enrollee if the district is the services required by the student's IEP are not available in the District.
- C. If the number of eligible applicants for admission from nonresident students exceeds the number of available enrollment opportunities in a particular class, program, or grade level nonresident students shall be selected for admission using a random selection process established by the Superintendent or his/her designee. The students not selected may be placed on an open enrollment waiting list, if a waiting list is established by the Superintendent. No waiting list will be created for applicants to a particular class, program, or grade level for which the Board determines there are no open enrollment spots available. Board Policy 423, Rule-1 provides the procedures applicable to the waiting list.
- D. The Board may require nonresident students to reapply for admission at a transition grade (5<sup>th</sup>, 7<sup>th</sup>, or 9<sup>th</sup>).
- E. If a student attending the District through open enrollment has an IEP developed or revised any time after acceptance for open enrollment, and the services required by the IEP are not available in the District or if space in the program is not available based on the Board's determination in January for the applicable school year, the parent or guardian shall be notified and the student shall be transferred to the student's resident district.

### III. RELEASE OF RESIDENT STUDENTS

- A. The Board shall release any resident student, with the exception noted below, who wishes to apply for enrollment in another school district. The superintendent or his/her designee shall ensure that the records of a resident student who transfers to a nonresident district are sent promptly to the other district.
- B. A student is applying under the alternative criteria (See Policy 423, Rule-1), and the district administrator or designee determines that the criteria relied on by the parent does not apply to the student.
- C. For students that apply under the alternative criteria outlined in Policy 423, Rule-1 for the remainder of the 2015-2016 school year only, the Board may reject their request if the cost of implementing the student's IEP in the non-resident school district with or without the combination of services provided by the Board as resident school district will pose an undue financial hardship on the District.

### IV. TRANSPORTATION

- A. The district shall not provide transportation to nonresident students who are accepted under the open enrollment program with the exception of any student with an IEP that requires transportation or as required by the State Superintendent under s. 121.54(3), Wis. Stats. Transportation shall be provided by the parent to and from the assigned school. Parents may contract with the district for transportation services from a scheduled district bus stop.
- B. The district shall not provide transportation to resident students who are accepted as nonresident students in another school district. A non-resident district may not enter into the Waunakee Community School District for the purpose of picking up and dropping off open enrolled students.

### V. FEES

Nonresident students enrolled under this policy will be subject to the same student and participation fees as resident students.

### VI. CO-CURRICULAR PARTICIPATION

Nonresident students entering the WCSD under disciplinary sanction for violating the co-curricular code of their resident district shall complete the imposed action if it is equal to or more severe than that which would have been imposed had it occurred in the Waunakee School District. If the disciplinary action is less severe than that which would have been imposed in Waunakee, the appropriate Waunakee sanctions shall be imposed.

WIAA rules and regulations for eligibility shall be followed for nonresident as well as resident students. The WCSD Co-Curricular Code of Conduct shall apply to nonresident as well as resident students.

VII. ADMINISTRATIVE GUIDELINES

The district administrator or his/her designee shall be responsible for developing and promulgating administrative guidelines to implement this policy.

Legal Ref: Sections 118.13 Wis. State Statutes  
118.51  
118.52

Cross Ref: 343.2, Class Size  
370-Rule (1), High School Co-Curricular Code  
370-Rule (2), Middle School Co-Curricular Code  
411, Equal Educational Opportunities  
412.1, Full-time Student  
422, Admission of Nonresident student (Other than Open Enrollment Students)  
423-Rule (1) Open Enrollment Procedures  
423.1 Course Options  
432, School Attendance Areas (Intra-District Transfers)  
433, Assignment of Students to Classes  
470, Student Fees

Adopted: January 12, 1998

Revised: 4/13/98 August 2000  
March 2002  
December 2002  
March 2006  
July 2006  
February 2008  
July 2011  
December 2012  
August 2013  
January 2016  
April, 2020

Waunakee Community School District

**Waunakee Community School District**  
**EXAMPLE NOVEMBER, 2022 REFERENDA FINANCING PLAN**

LEVY YEAR	YEAR DUE	FUND 39	EXAMPLE	FUND 39	\$75,000,000			FUND 39	RECURRING	STATE AID	FUND 39	FUND 39	YEAR DUE	
		EXISTING DEBT SERVICE	IMPACT OF 2022, 2023 DEFEASANCE	EXISTING DEBT SERVICE	G.O. SCHOOL BUILDING BONDS Dated July 1, 2023 (First interest 4/1/24)			DEBT LEVY EXISTING PLUS NEW	OPERATING OVERRIDE	IMPACT OVER BASE YEAR (FY 2021-22) (A)	COMBINED COST (Factoring Aid)	COMBINED MILL RATE (B)		
					PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) EST. AVG= 3.75%	TOTAL							
2021	2022	\$7,203,088	\$4,813,912	\$12,017,000				\$12,017,000				\$12,017,000	\$3.50	2022
2022	2023	\$7,281,020	\$6,305,234	\$13,586,254				\$13,586,254	\$1,200,000	(\$2,400,000)	\$12,386,254	\$3.50	2023	
2023	2024	\$7,359,749	(\$1,156,800)	\$6,202,949	\$470,000	\$3,506,813	\$3,976,813	\$10,179,761	\$2,400,000	\$197,260	\$12,777,021	\$3.50	2024	
2024	2025	\$7,359,653	(\$1,167,188)	\$6,192,465	\$625,000	\$2,783,156	\$3,408,156	\$9,600,621	\$3,600,000	(\$62,419)	\$13,138,202	\$3.50	2025	
2025	2026	\$7,360,515	(\$1,949,813)	\$5,410,703	\$475,000	\$2,762,531	\$3,237,531	\$8,648,234	\$4,800,000	\$81,174	\$13,529,408	\$3.50	2026	
2026	2027	\$7,488,365	(\$2,720,063)	\$4,768,303	\$325,000	\$2,747,531	\$3,072,531	\$7,840,834	\$6,000,000	\$97,836	\$13,938,670	\$3.50	2027	
2027	2028	\$7,489,465	(\$2,644,313)	\$4,845,153	\$225,000	\$2,737,219	\$2,962,219	\$7,807,371	\$6,000,000	\$122,549	\$13,929,921	\$3.50	2028	
2028	2029	\$5,036,067	(\$573,625)	\$4,462,442	\$625,000	\$2,721,281	\$3,346,281	\$7,808,723	\$6,000,000	\$120,282	\$13,929,005	\$3.50	2029	
2029	2030	\$5,040,947	(\$557,688)	\$4,483,259	\$625,000	\$2,697,844	\$3,322,844	\$7,806,103	\$6,000,000	\$121,363	\$13,927,466	\$3.50	2030	
2030	2031	\$2,599,463	(\$49,563)	\$2,549,900	\$2,620,000	\$2,637,000	\$5,257,000	\$7,806,900	\$6,000,000	\$121,523	\$13,928,423	\$3.50	2031	
2031	2032	\$2,601,975	(\$49,563)	\$2,552,413	\$2,720,000	\$2,536,875	\$5,256,875	\$7,809,288	\$6,000,000	\$121,696	\$13,930,984	\$3.50	2032	
2032	2033	\$2,598,406	(\$49,563)	\$2,548,844	\$2,825,000	\$2,432,906	\$5,257,906	\$7,806,750	\$6,000,000	\$121,986	\$13,928,736	\$3.50	2033	
2033	2034	\$2,597,319	(\$910,344)	\$1,686,975	\$3,815,000	\$2,308,406	\$6,123,406	\$7,810,381	\$6,000,000	\$122,031	\$13,932,412	\$3.50	2034	
2034	2035	\$660,563	(\$660,563)	\$0	\$5,680,000	\$2,130,375	\$7,810,375	\$7,810,375	\$6,000,000	\$122,681	\$13,933,056	\$3.50	2035	
2035	2036				\$5,895,000	\$1,913,344	\$7,808,344	\$7,808,344	\$6,000,000	\$123,241	\$13,931,585	\$3.50	2036	
2036	2037				\$6,120,000	\$1,688,063	\$7,808,063	\$7,808,063	\$6,000,000	\$123,381	\$13,931,444	\$3.50	2037	
2037	2038				\$6,355,000	\$1,454,156	\$7,809,156	\$7,809,156	\$6,000,000	\$123,657	\$13,932,814	\$3.50	2038	
2038	2039				\$6,595,000	\$1,211,344	\$7,806,344	\$7,806,344	\$6,000,000	\$124,043	\$13,930,387	\$3.50	2039	
2039	2040				\$6,850,000	\$959,250	\$7,809,250	\$7,809,250	\$6,000,000	\$124,161	\$13,933,411	\$3.50	2040	
2040	2041				\$7,110,000	\$697,500	\$7,807,500	\$7,807,500	\$6,000,000	\$124,700	\$13,932,200	\$3.50	2041	
2041	2042				\$7,380,000	\$425,813	\$7,805,813	\$7,805,813	\$6,000,000	\$124,919	\$13,930,732	\$3.50	2042	
2042	2043				\$7,665,000	\$143,719	\$7,808,719	\$7,808,719	\$6,000,000	\$125,156	\$13,933,875	\$3.50	2043	
2043	2044									\$125,734	\$125,734		2044	
		<u>\$72,676,594</u>	<u>(\$1,369,935)</u>	<u>\$71,306,659</u>	<u>\$75,000,000</u>	<u>\$40,495,125</u>	<u>\$115,495,125</u>	<u>\$186,801,784</u>		<u>\$6,957</u>	<u>\$300,808,741</u>	<u>\$0.00</u>		

- (A) State aid impact based on prior fiscal year incremental expenditure over base year (FY 2021-22) at the following aid levels (2021-22 October certification):  
Tertiary Aid Percentage..... -7.01% NOTE: Estimated, one-time aid benefit of \$2.4 mil expected in 2022-23.
- (B) Mill rate based on 2021 Equalized Valuation (TID-OUT) of \$3,437,359,073 with annual growth as follows:  
2022-26: 3.00%  
2027 and thereafter: 0.00%

NOTES: Example financing scenarios could be impacted by other variables, such as significant market or statutory changes, which may necessitate adjustments to the financing plans.

Mill rate may remain unchanged or decline in upcoming years if referendum not approved.

Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



December 8, 2021

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

Dear Board of Education

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waunakee Community School District (the "District") for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit:

**Our Responsibilities Under Auditing Standards Generally Accepted in the United States, Government Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of Wisconsin Single Audit Guidelines.**

As stated in our engagement letter dated March 11, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*.

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and *State of Wisconsin Single Audit Guidelines* applicable to each of its major federal and state programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

### **Required Supplementary Information Accompanying Audited Financial Statements**

We applied certain limited procedures to the management discussion and analysis, budgetary comparison schedule – general fund, the Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System, and the Schedules of Changes in Net OPEB Liability and Related Ratios and Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Supplementary Information Accompanying Audited Financial Statements**

We were engaged to report on the combining financial statements and the schedules of expenditures of federal awards and state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Other Information in Documents Containing Audited Financial Statements**

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements and, furthermore, management has not requested us to devote attention to any documents containing audited financial statements.

If the District intends to reproduce or publish these financial statements, or any portion thereof whether in paper or electronic form subsequent to the anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The District agrees to compensate Wipfli for the time associated with such review.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to your representative, Steve Summers, in our meeting about planning matters on June 22, 2021, in addition to our engagement letter dated March 11, 2021, accepted by Mr. Randy Guttenberg.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the period under audit.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the significant useful lives in calculating accumulated depreciation, the OPEB liability and the net pension liability.

The disclosures in the financial statements are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did discuss some items that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole as listed below:

- The Net OPEB liability was reported as of the prior fiscal year for the June 30, 2020 financial statements instead of reported on the same fiscal year. The net difference of \$266,839 was an understatement of the beginning net position for governmental activities, which was corrected in the current year.

### **Disagreements With Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 8, 2021, a copy of which accompanies this letter.

### **Management Consultation With Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

### **Internal Control Matters**

In planning and performing our audit of the financial statements of the District, in accordance with auditing standards generally accepted in the United States, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Other Matters**

#### **Cybersecurity Assessment**

Cyber threats are growing and becoming more sophisticated. Local governments need strong detection and response capabilities in order to quickly identify threats and act before they turn into a breach. Thieves have gotten smarter, and technology more complex. Throughout the news, we have seen a rise in local governmental ransomware and other coordinated cyberattacks.

Rapidly changing IT environments call for security programs that stay on track, yet continually evolve. We highly recommend the organization complete a cybersecurity risk assessment. Our experts can assess the organization's controls for identifying, protecting, detecting, responding and recovering from such an event. Because the organization has sensitive information for employees, and citizens, we recommend this evaluation.

We appreciate the opportunity to be of service to Wauunakee Community School District, Wisconsin.

This communication is intended solely for the information and use of management, the School Board and others within the District and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the District's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP  
Enclosure

## GOVERNMENTAL AUDIT REPRESENTATION LETTER

December 8, 2021

Wipfli LLP  
2501 W. Beltline Hwy, Suite 401  
Madison, WI 53713

This representation letter is provided in connection with your audit of the financial statements of Waunakee Community School District (the "District"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 11, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is listed below:
  - a. The Net OPEB liability was reported as of the prior fiscal year for the June 30, 2021 financial statements instead of reported on the same fiscal year. The net difference of \$266,839 was an understatement of the beginning net position for governmental activities, which was corrected in the current year.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

#### Information Provided

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from who you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the School Board or summaries of actions of recent meetings for which minutes have not yet prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud affecting the District involving:
  - a. Management.
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
21. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with the provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, or any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other data significant to the audit objectives.

26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and related notes, the schedule of expenditures of federal awards and state financial assistance, and the data collection form. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards and state financial assistance.
28. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
29. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
31. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. The financial statements properly classify all funds and activities.
33. All funds that meet the qualitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
35. All receivables recorded are collectible and no provision is required.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
40. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

41. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
42. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
43. We agree with the findings of specialists in evaluating the actuarial accrued liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
44. The District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
45. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the District vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
46. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
47. With respect to supplementary information which includes the schedules of expenditures of federal awards and state financial assistance:
  - a. We acknowledge our responsibility for presenting the supplementary information in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

48. We have evaluated the potential impacts of COVID-19 on the financial statements as of June 30, 2021 and for the year then ended. As of the date of issuance of the financial statements, the District's operations have not been significantly impacted. We feel the analysis we have performed is sufficient to support that conclusion.
49. With respect to federal and state award programs:
- a. We are responsible for understanding and complying and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and *State of Wisconsin Single Audit Guidelines*, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
  - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance in accordance with the requirements of the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and we believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, are fairly presented in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*. The methods of measurement and presentation of the schedule of expenditures of federal awards and state financial assistance have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the schedule of expenditures of federal awards and state financial assistance.
  - c. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and *State of Wisconsin Single Audit Guidelines* and included in the schedules of expenditures of federal awards and state financial assistance made during the audit period for all awards provided by federal and state agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - d. We are responsible for understanding and complying with, and, have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.
  - e. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.

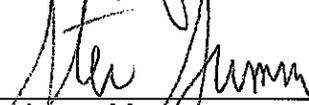
- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities
- g. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* and *State of Wisconsin Single Audit Guidelines*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.
- i. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to the compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.

- q. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r. The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
- s. We have charged costs to federal and state awards in accordance with applicable cost principles.
- t. We are responsible for and have reviewed the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- u. We are responsible for reviewing and approving the auditee section of the Data Collection Form as required by the Uniform Guidance.

Sincerely,

WAUNAKEE COMMUNITY SCHOOL DISTRICT

  
\_\_\_\_\_  
District Superintendent

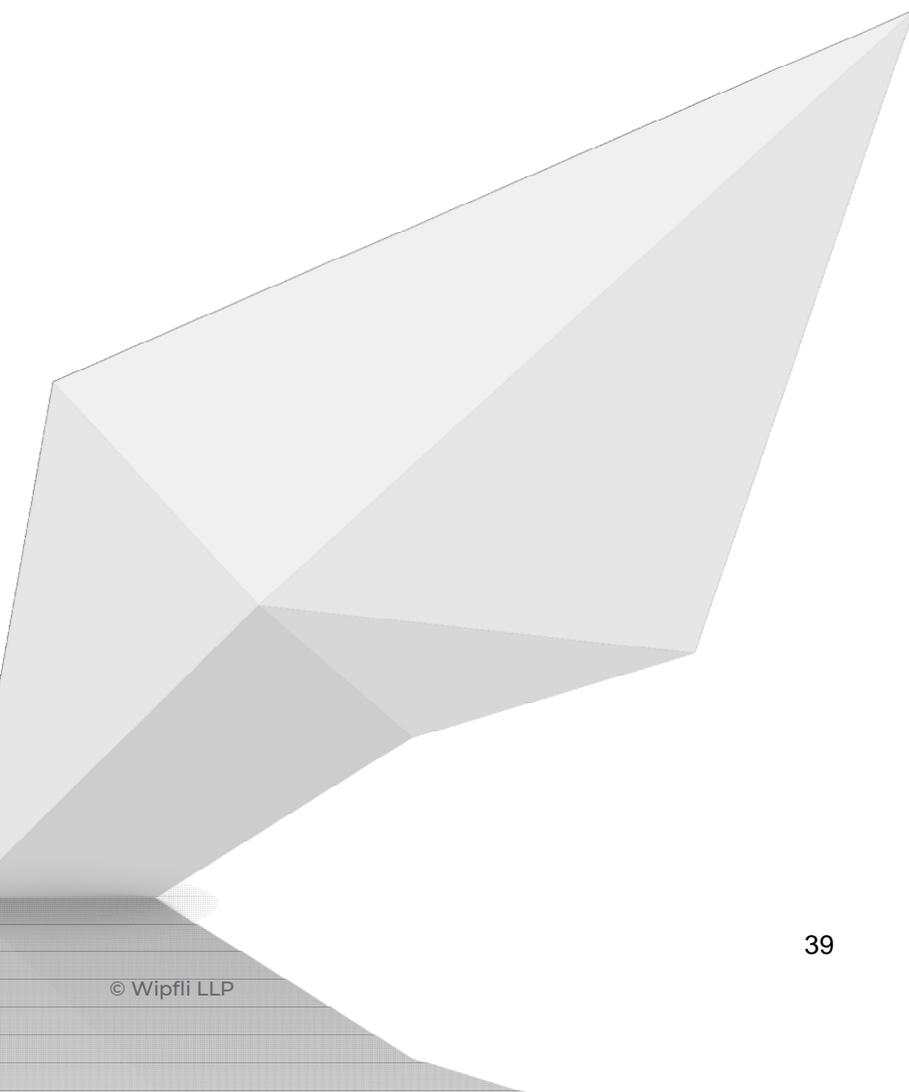
  
\_\_\_\_\_  
Business Manager

# Waunakee Community School District

Waunakee, Wisconsin

Financial Report

Year ended June 30, 2021



# Waunakee Community School District

## Financial Statements and Supplementary Financial Information

Year Ended June 30, 2021

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# Waunakee Community School District

## Financial Statements and Supplementary Financial Information

Year Ended June 30, 2021

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## **Independent Auditor's Report**

Board of Education  
Waunakee Community School District  
Waunakee, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waunakee Community School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to on the previous page 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 Waunakee Community School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, and the schedules of changes in the net OPEB liability and related ratios and employer contributions - OPEB on pages 44 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Financial Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes 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 the *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 statements and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the Waunakee Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Madison, Wisconsin

December 8, 2021

# Waunakee Community School District

## Management's Discussion and Analysis

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The discussion and analysis of the financial performance of the Waunakee Community School District (District) provides an overview of financial activities for the fiscal year ended June 30, 2021. The analysis focuses on school district financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is relevant. It should be read in conjunction with the District's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

The District's government-wide financial statements reflect the following:

- Total net position of the District increased to \$41,907,869 at June 30, 2021.
- Total revenues decreased to \$67,337,288 in fiscal year 2021, down from \$67,442,012 in fiscal year 2020, a decrease of approximately .2%.
- Total expenses decreased to \$58,196,349 in fiscal year 2021, down from \$62,997,897 in the fiscal year 2020, a decrease of 7.6%.

The District's governmental fund financial statements reflect the following:

- Total fund balances of the District's governmental funds increased \$823,283 in fiscal year 2021. This increase included a \$1,066,672 increase in the general fund, a \$186,127 increase in the debt service fund, and a \$429,516 decrease in the nonmajor governmental funds.
- The fund balance for all governmental funds at June 30, 2021 was \$12,435,811. Of this amount, \$5,332,185 was restricted for self-insurance, common school fund, capital improvements, debt service, donor restrictions, and community service; \$242,735 was committed; \$1,033,058 was assigned; and \$5,827,833 remains unassigned.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. Those basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains information supplementary to the basic financial statements.

# Waunakee Community School District

## Management's Discussion and Analysis

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### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

#### District-Wide Financial Statements

*District-wide financial statements* report information about the District as a whole, using accounting methods similar to those used by private sector companies. The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving. 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. The District does not have any proprietary funds and the fiduciary funds are not included in the statement of net position.

The *statement of activities* includes all revenues and expenses of the District, irrespective of when cash is actually received or paid out. The intent of the district-wide statements is to provide a snapshot of the District's net position and to provide an explanation of material changes that occurred since the prior year.

#### Fund Financial Statements

The *fund financial statements* provide detailed information about the District's significant funds rather than the District as a whole. A fund is an accounting entity with a self-balancing set of accounts for recording assets, liabilities, revenues, and expenditures. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the District can be divided into two categories: governmental and fiduciary. Table 1 summarizes the various features of each of these funds.

- *Governmental Funds*—Most of the District's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash and (2) the balances remaining at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps the reader determine whether there are financial resources to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information is provided that explains the relationship between them.
- *Fiduciary Funds*—The District serves as a fiduciary for the Employee Benefit Trust to account for post-employment benefits. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

# Waunakee Community School District

## Management’s Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

**Table 1**  
**Major Features of the District-wide and Fund Financial Statements**

	District-wide <u>Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental</u>	<u>Fiduciary</u>
<b>Scope</b>	Entire district (except fiduciary funds).	The activities of the District that is not proprietary or fiduciary, such as instruction, support services, debt service, capital projects, food service and community services.	The district acts as trustee or agent for another; e.g other post-employment trusts
<b>Required Financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
<b>Type of asset, deferred inflow/outflow of resources, and liability information</b>	All assets, deferred inflows/outflows of resources, 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, financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
<b>Type of inflow and outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues when cash is received during or soon after the end of the year; 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 and paid.

#### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

#### Other Information

Required supplementary information (RSI) includes a budget to actual comparison that provides readers with information about the accuracy with which management was able to project the District’s revenues and expenditures. In addition, the RSI includes information concerning the District’s other post-employment benefits (OPEB) liabilities, and certain details about the District’s net pension (asset) liability.

# Waunakee Community School District

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL STATEMENTS

#### Statement of Net Position

The District ended its fiscal year with net position of \$41,907,869, of which \$34,293,291 was net investment in capital assets, \$12,572 was restricted for common school fund, \$378,625 was restricted for self-insurance, \$1,692,937 was restricted for debt service, \$1,173,399 was restricted for capital improvements, \$1,029,444 was restricted by donors, \$473,122 was restricted for community service, and \$11,339,821 was restricted for net pension asset, and (\$8,485,342) was unrestricted net position. Unrestricted net position represents the amount of discretionary resources that can be used to fund general District operations.

**Table 2**  
**Condensed Statements of Net Position**  
*(in thousands of dollars)*

	Governmental Activities		
	2021	2020	% Change
<b>Assets</b>			
Current and other assets	\$ 33,401	\$ 24,293	37.49%
Capital assets	97,774	97,959	-0.19%
<b>Total assets</b>	131,175	122,252	7.30%
<b>Deferred Outflows of Resources</b>	18,213	13,591	34.01%
<b>Liabilities</b>			
Long-term liabilities	70,079	76,364	-8.23%
Other liabilities	10,198	7,471	36.50%
<b>Total liabilities</b>	80,277	83,835	-4.24%
<b>Deferred Inflows of Resources</b>	27,203	19,241	41.38%
<b>Net Position as restated</b>			
Net investment in capital assets	34,293	29,174	17.55%
Restricted	16,100	10,181	58.14%
Unrestricted	(8,485)	(6,588)	28.79%
<b>Total Net Position</b>	<u>\$ 41,908</u>	<u>\$ 32,767</u>	27.90%

\*Tables may not foot due to rounding

The largest portion, approximately 82% or \$34.3 million, of the District's net position continues to be its net investment in capital assets (e.g. land, buildings, and equipment), less related outstanding debt used to acquire those assets.

# Waunakee Community School District

## Management's Discussion and Analysis

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### DISTRICT-WIDE FINANCIAL STATEMENTS (continued)

#### Changes in Net Position

Table 3 demonstrates that on a district-wide basis the District ended fiscal year 2021 with an increase in net position of \$9,140,939 compared to an increase of \$4,444,115 in fiscal year 2020.

The district received \$67,337,288 in revenue for the fiscal year 2021. The District relies primarily on property taxes (51.5% of total governmental revenues), and state equalization aid (35.2%) to fund governmental activities. The District received approximately 12.3% in the form of specific use state grants, federal aid and direct fees for services.

Individuals who directly participated or benefited from a program paid 5.9% of the cost. Book and activity fees, admission to athletic events, open enrollment tuition and other fees are included as charges for services.

Federal and state governments subsidized certain programs with grants and awards of \$4,838,612. Operating grants include ESEA, IDEA, and State Special Education Aid.

In the fiscal year ended 2021, the District spent \$58,196,349 as compared to \$62,997,897 in 2020, for a decrease of \$4.8 million.

# Waunakee Community School District

## Management's Discussion and Analysis

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**Table 3**  
**Changes in Net Position from Operating Results**  
*(in thousands of dollars)*

	Governmental Activities		
	2021	2020	% Change
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 3,440	\$ 4,417	-22.12%
Operating grants & contributions	7,633	7,555	1.03%
General revenues			
Property taxes	34,648	33,583	3.17%
General aid	20,532	20,709	-0.85%
Other	1,084	1,178	-7.98%
<b>Total revenues</b>	<b>67,337</b>	<b>67,442</b>	<b>-0.16%</b>
<b>EXPENSES</b>			
Instruction	31,377	32,236	-2.66%
Pupil and instructional services	6,243	5,936	5.17%
Administrative services	15,321	16,487	-7.07%
Interest on debt	2,344	2,715	-13.66%
Other	2,911	5,624	-48.24%
<b>Total expenses</b>	<b>58,196</b>	<b>62,998</b>	<b>-7.62%</b>
<b>Change in Net Position</b>	<b>\$ 9,141</b>	<b>\$ 4,444</b>	<b>105.69%</b>

\*Tables may not foot due to rounding

# Waunakee Community School District

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL STATEMENTS (continued)

Table 4 presents the cost of 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.

The cost of all governmental activities this year was \$58,196,349. Individuals who directly participated or benefited from a program offering paid \$3,460,604 of costs. Federal and state governments subsidized certain programs with grants and contributions of \$4,838,612. The net cost of governmental activities, \$49,897,133 was financed by \$34,648,262 of property taxes and \$23,709,386 of state equalization aid.

**Table 4**  
**Net Cost of Governmental Activities**  
*(in thousands of dollars)*

	Total Cost of Services	Net Cost of Services
<b>EXPENSES</b>		
Instruction	\$ 31,377	\$ (24,563)
Pupil and instructional services	6,243	(5,999)
Administrative services	15,321	(14,401)
Interest on debt	2,344	(2,076)
Other	2,911	(2,858)
<b>Total expenses</b>	<b>\$ 58,196</b>	<b>\$ (49,897)</b>

\*Tables may not foot due to rounding

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the District's financing requirements. Unassigned fund balances or lack thereof, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District completed the year with a total governmental fund balance of \$12,435,811, up from last year's ending fund balance of \$11,612,528. The District's unassigned fund balance, available for spending at the district's discretion was \$5,827,833.

The General Fund is the chief operating fund of the District. During the current fiscal year, the general fund saw a fund balance increase of \$1,066,672.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District's original budget for the general fund anticipated that expenditures would exceed revenues and other financing sources by \$256,175 which was amended to \$81,346. The actual results for the year ended June 30, 2021 had revenues in excess of expenditures and other financing sources by \$1,066,672.

# Waunakee Community School District

## Management's Discussion and Analysis

---

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the June 30, 2021, the District had \$152,162,500 in capital assets, including land, land improvements, buildings and improvements, and furniture and equipment. Total accumulated depreciation on these assets was \$54,388,401. Asset acquisitions for governmental activities totaled \$3,246,008. The District recognized depreciation expense of \$3,431,047. Detailed information about capital assets can be found in Note 5 to the financial statements.

**Table 5**  
**Capital Assets**  
*(in thousands of dollars)*

	Governmental Activities 2021	2020
Land	\$ 2,725	\$ 3,354
Buildings and improvements	141,683	138,073
Furniture and equipment	7,754	7,489
Accumulated depreciation	(54,388)	(50,957)
Net capital assets	\$ 97,774	\$ 97,959

\*Tables may not foot due to rounding

#### Long-Term Debt

At June 30, 2021, the District had \$61,090,000 in general obligation debt outstanding—a decrease of \$5,005,000 from fiscal year 2020. Debt of the District is secured by a tax levy adopted by the Board of Education at the time of issuance. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments. Detailed information about the District's long-term obligations is presented in Note 7 to the financial statements.

**Table 6**  
**Outstanding Long-term Obligations**  
*(in thousands of dollars)*

	2021	2020
General obligation debt	\$ 63,435	\$ 68,740
Capital leases	46	46
Compensated absences	3,236	2,965
Other postemployment benefits	3,362	4,613
Net long-term obligations	\$ 70,079	\$ 76,364

\*Tables may not foot due to rounding

# Waunakee Community School District

## Management's Discussion and Analysis

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### FACTORS BEARING ON THE DISTRICT'S FUTURE

The following items may have a bearing on the future of the District:

- The School Board has hired an architectural firm, and a construction management firm, to begin the process of planning for a future facility referendum. A referendum date is still to be determined, however, November of 2022 is a likely date. The referendum will likely include the construction of a new middle school or a new Heritage Elementary School, the creation of a high school campus incorporating the existing middle school (if the new middle school option is selected), district wide maintenance projects, and an operational referendum question.
- The School Board approved presenting a non-recurring operational referendum in the amount of \$2,127,502 to the voting public on Tuesday, November 3rd, 2020. This is a 5-year non-recurring operational referendum. This referendum passed on November 3rd, 2020. The primary use of the funds for the 2020-21 school year will be COVID related school reopening costs. These funds will be utilized for continuing COVID related costs in the 2021-22 school year as well as operational costs of the district.
- The School Board will be levying additional funds into Fund 39 for the purpose of a debt service defeasance during the 2021-22 school year. The School Board has a long-term fiscal strategy of a consistent equalized tax rate across fiscal years.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The 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:

Randy Guttenberg, District Superintendent at (608) 849-2000 or [rguttenberg@waunakee.k12.wi.us](mailto:rguttenberg@waunakee.k12.wi.us)

Steve Summers, Executive Director of Operations, at (608) 849-2000 or [ssummers@waunakee.k12.wi.us](mailto:ssummers@waunakee.k12.wi.us)

Additional information about the District and its services can also be found on the District's website at [www.waunakee.k12.wi.us](http://www.waunakee.k12.wi.us)

# **Government-Wide Financial Statements**

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# Waunakee Community School District

## Statement of Net Position

June 30, 2021

	Governmental
<i>Assets and Deferred Outflows of Resources</i>	Activities
Current assets:	
Cash and investments	\$ 12,341,099
Accounts receivable	9,113,438
Due from other governments	606,700
Total current assets	22,061,237
Noncurrent assets:	
Restricted net pension asset	11,339,821
Capital assets not being depreciated	2,724,693
Capital assets being depreciated, net	95,049,406
Total noncurrent assets	109,113,920
Total assets	131,175,157
Deferred outflows of resources - Related to pensions/OPEB	18,212,458
Total assets and deferred outflows of resources	\$ 149,387,615
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Short-term notes payable	\$ 7,900,000
Accounts payable	272,040
Accrued payroll	1,073,360
Accrued interest	731,337
Due to fiduciary fund	1,097
Unearned revenue	219,678
Current portion of long-term obligations	5,235,171
Total current liabilities	15,432,683
Noncurrent liabilities:	
Due in more than one year	64,843,717
Total liabilities	80,276,400
Deferred inflows of resources - Related to pensions/OPEB	27,203,346
Net position:	
Net investment in capital assets	34,293,291
Restricted	16,099,920
Unrestricted	(8,485,342)
Total net position	41,907,869
Total liabilities, deferred inflows of resources, and net position	\$ 149,387,615

See accompanying notes to the financial statements.

# Waunakee Community School District

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 22,142,132	\$ 2,352,112	\$ 619,740	\$ (19,170,280)
Vocational instruction	1,877,322	-	14,865	(1,862,457)
Special education instruction	5,435,477	-	3,132,294	(2,303,183)
Other instruction	1,922,186	170,790	524,265	(1,227,131)
<b>Total instruction</b>	<b>31,377,117</b>	<b>2,522,902</b>	<b>4,291,164</b>	<b>(24,563,051)</b>
Support services:				
Pupil services	2,624,689	-	243,643	(2,381,046)
Instructional staff services	3,618,443	-	-	(3,618,443)
General administration	893,986	-	-	(893,986)
Building administration	3,549,830	-	-	(3,549,830)
Business services	10,877,284	905,324	15,000	(9,956,960)
Central services	101,952	-	-	(101,952)
Insurance	395,393	-	-	(395,393)
Other support services	2,413,242	32,378	19,893	(2,360,971)
Interest	2,344,413	-	268,912	(2,075,501)
<b>Total support services</b>	<b>26,819,232</b>	<b>937,702</b>	<b>547,448</b>	<b>(25,334,082)</b>
<b>Total school district</b>	<b>\$ 58,196,349</b>	<b>\$ 3,460,604</b>	<b>\$ 4,838,612</b>	<b>(49,897,133)</b>
<b>General revenues:</b>				
Property taxes:				
General purposes				26,294,430
Debt service				7,394,445
Community service				450,091
Capital projects				509,296
State and federal aids not restricted to specific functions				23,709,386
Interest and investment earnings				7,702
Gain on sale of assets				17,112
Miscellaneous				655,610
<b>Total general revenues</b>				<b>59,038,072</b>
<b>Change in net position</b>				<b>9,140,939</b>
<b>Net position - Beginning of year</b>				<b>32,766,930</b>
<b>Net position - End of year</b>				<b>\$ 41,907,869</b>

See accompanying notes to the financial statements.

# **Fund Financial Statements**

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# Waunakee Community School District

## Balance Sheet - Governmental Funds

June 30, 2021

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 7,338,746	\$ 2,265,023	\$ 2,737,330	\$ 12,341,099
Receivables:				
Accounts	281,425	-	68,218	349,643
Taxes	8,763,795	-	-	8,763,795
Due from other governments	582,100	-	24,600	606,700
<b>Total assets</b>	<b>\$ 16,966,066</b>	<b>\$ 2,265,023</b>	<b>\$ 2,830,148</b>	<b>\$ 22,061,237</b>
<b>Liabilities:</b>				
Short-term notes payable	\$ 7,900,000	\$ -	\$ -	\$ 7,900,000
Accounts payable	237,948	-	34,092	272,040
Accrued payroll	1,048,139	-	25,221	1,073,360
Accrued interest	159,251	-	-	159,251
Due to other funds	1,097	-	-	1,097
Unearned revenue	124,808	-	94,870	219,678
<b>Total liabilities</b>	<b>9,471,243</b>	<b>-</b>	<b>154,183</b>	<b>9,625,426</b>
<b>Fund balances:</b>				
Restricted	391,197	2,265,023	2,675,965	5,332,185
Committed	242,735	-	-	242,735
Assigned	1,033,058	-	-	1,033,058
Unassigned	5,827,833	-	-	5,827,833
<b>Total fund balances</b>	<b>7,494,823</b>	<b>2,265,023</b>	<b>2,675,965</b>	<b>12,435,811</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,966,066</b>	<b>\$ 2,265,023</b>	<b>\$ 2,830,148</b>	<b>\$ 22,061,237</b>

See accompanying notes to the financial statements.

**Waunakee Community School District**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**

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

Total fund balances - Governmental funds		\$ 12,435,811
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 152,162,500	
Governmental accumulated depreciation	(54,388,401)	97,774,099

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

Net pension asset	11,339,821	
Net OPEB liability	(3,362,464)	
Deferred outflows of resources related to pensions/OPEB	18,212,458	
Deferred inflows of resources related to pensions/OPEB	(27,203,346)	(1,013,531)

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Long-term liabilities and the related interest payable, including bonds and notes payable, 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 fund's balance sheet are:

Bonds and notes payable	(61,090,000)	
Obligations under capital lease	(45,568)	
Unamortized premiums	(2,345,240)	
Accrued interest	(572,086)	
Compensated absences	(3,235,616)	(67,288,510)

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Total net position - Governmental activities		\$ 41,907,869
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See accompanying notes to the financial statements.

**Waunakee Community School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 26,294,430	\$ 7,394,445	\$ 959,387	\$ 34,648,262
Other local sources	464,334	636	1,637,313	2,102,283
Interdistrict sources	1,929,892	-	156,560	2,086,452
Intermediate sources	7,878	-	-	7,878
State sources	26,426,513	-	-	26,426,513
Federal sources	1,245,295	-	19,291	1,264,586
Other sources	512,151	268,912	20,251	801,314
<b>Total revenues</b>	<b>56,880,493</b>	<b>7,663,993</b>	<b>2,792,802</b>	<b>67,337,288</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Regular instruction	23,443,556	-	42,270	23,485,826
Vocational instruction	1,854,851	-	4,423	1,859,274
Special instruction	5,984,474	-	-	5,984,474
Other instruction	1,944,183	-	244,570	2,188,753
<b>Total instruction</b>	<b>33,227,064</b>	<b>-</b>	<b>291,263</b>	<b>33,518,327</b>
<b>Support services:</b>				
Pupil services	2,617,157	-	7,532	2,624,689
Instructional staff services	3,642,633	-	202,421	3,845,054
General administration	1,115,865	-	-	1,115,865
Building administration	3,846,604	-	-	3,846,604
Business services	8,386,176	-	2,526,574	10,912,750
Central services	84,536	-	24,793	109,329
Insurance	392,949	-	2,444	395,393
Other support services	2,120,663	-	341,510	2,462,173
<b>Total support services</b>	<b>22,206,583</b>	<b>-</b>	<b>3,105,274</b>	<b>25,311,857</b>
<b>Debt service:</b>				
Principal	-	5,005,000	-	5,005,000
Interest	205,955	2,472,866	-	2,678,821
<b>Total debt service</b>	<b>205,955</b>	<b>7,477,866</b>	<b>-</b>	<b>7,683,821</b>
<b>Total expenditures</b>	<b>55,639,602</b>	<b>7,477,866</b>	<b>3,396,537</b>	<b>66,514,005</b>
Excess of revenues over (under) expenditures	1,240,891	186,127	(603,735)	823,283
<b>Other financing sources:</b>				
Transfers in/(out)	(174,219)	-	174,219	-
<b>Net change in fund balances</b>	<b>1,066,672</b>	<b>186,127</b>	<b>(429,516)</b>	<b>823,283</b>
Fund balances - Beginning of year	6,428,151	2,078,896	3,105,481	11,612,528
<b>Fund balances - End of year</b>	<b>\$ 7,494,823</b>	<b>\$ 2,265,023</b>	<b>\$ 2,675,965</b>	<b>\$ 12,435,811</b>

See accompanying notes to the financial statements.

**Waunakee Community School District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2021**

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Net change in fund balances - Governmental funds (from previous page) \$ 823,283

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

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

Capital outlays reported in governmental fund statements	\$ 3,246,008
Depreciation expense reported in the statement of activities	(3,431,047)

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Amount by which capital outlays are less than depreciation in the current year (185,039)

Vested employee benefits are reported in the governmental funds when amounts are paid.

The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts 3,163,287

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

The amount of long-term debt principal payments in the current year	5,005,000
Change in accrued interest	34,533
Amortization of discounts and premiums	299,875

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**Change in net position - Governmental activities \$ 9,140,939**

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See accompanying notes to the financial statements.

# Waunakee Community School District

## Statement of Fiduciary Net Position

June 30, 2021

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	Employee Benefit Trust	
Assets:		
Cash and investments	\$	7,633,887
Due from other funds		1,097
Total assets	\$	7,634,984
Net position:		
Restricted for OPEB	\$	3,216,347
Restricted for pension		4,418,637
Total net position	\$	7,634,984

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See accompanying notes to the financial statements.

**Waunakee Community School District**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2021**

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	Employee Benefit Trust
<hr/>	
Additions:	
Contributions	\$ 824,758
Investment income	844,861
<hr/>	
Total additions	1,669,619
<hr/>	
Deductions:	
Retiree benefit payments	640,218
<hr/>	
Total deductions	640,218
<hr/>	
Change in net position	1,029,401
Net position - Beginning of year	6,605,583
<hr/>	
Net position - End of year	\$ 7,634,984
<hr/> <hr/>	

See accompanying notes to the financial statements.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Introduction

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

#### Reporting Entity

The Waunakee Community School District is organized as a common school district. The District, governed by a seven-member elected school board, and operates grades pre-kindergarten through 12.

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

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

#### Basis of Presentation

##### *Government-Wide Financial Statements*

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

# Waunakee Community School District

## Notes to Financial Statements

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

#### **Basis of Presentation** (Continued)

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

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

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

#### *Fund Financial Statements*

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

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities.
- Debt Service Fund – This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.

The District accounts for assets accumulated from employer contributions used to pay for postemployment benefits in the Employee Benefit Trust Funds.

# Waunakee Community School District

## Notes to Financial Statements

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

#### **Measurement Focus and Basis of Accounting**

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts. The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

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

#### Receivables and Payables

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

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

#### Restricted Assets

Restricted assets are cash, cash equivalents, and investments whose use is limited by legal requirements such as a bond indenture or asset in an irrevocable trust.

#### Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$25,000 for capitalizing buildings and building improvements and \$5,000 for capitalizing land improvements and furniture and equipment.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for buildings and building improvements from 10 to 20 years for land improvements and 5 to 20 years for furniture and equipment. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Unearned Revenue

Unearned revenue consists of money received related to food deposits that has not been earned.

#### Long-Term Obligations

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

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

#### Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

The District's policy allows employees to earn varying amounts of sick pay for each year employed. Upon retirement, the employee is entitled to a deposit into a Health Reimbursement Account at the various rates as follows:

Teachers	\$85/day up to a maximum of 120 days
Classified staff and administrative assistants	\$110/day up to a maximum of 120 days
Custodians	\$110/day up to a maximum of 120 days

Administrators and administrative support staff are eligible for vacation per diems and health, dental, and life insurance up to age 65.

All compensated absences are accrued when earned in the district-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

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, information about the fiduciary net position of the Wisconsin Retirement Systems (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.

The District also offers an OPEB plan for health insurance. The net other postemployment liability for this plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and

# Waunakee Community School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts (Continued)

deferred inflows of resources related to other post-employment benefits and OPEB expense. 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/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows related to pension and other postemployment benefit activity.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pension and other postemployment benefit activity.

#### Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets (less any unexpended proceeds). Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

#### Fund Balances

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

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

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

# Waunakee Community School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fund Balances (Continued)

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

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

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

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

#### Property Tax Levy

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

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

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.

# Waunakee Community School District

## Notes to Financial Statements

### Note 2: Stewardship and Accountability

#### Limitation on School District Revenues

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

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

### Note 3: Cash and Investments

The District's cash and investment balances at June 30, 2021 were as follows:

	Amount	Fair Value Level	Average Maturity
Deposits with financial institutions	\$ 289,700	N/A	N/A
Investments:			
Wisconsin Investment Series Cooperative	7,097,785	N/A	<30 days average
Wisconsin Local Government Investment Pool	4,953,613	N/A	<30 days average
Corporate bonds	4,274,977	Level 2	<12 months
Mortgage and asset-backed securities	1,450,439	Level 1	<12 months
Direct commercial mortgages	1,145,083	Level 1	<12 months
Other equity investments	763,389	Level 1	<12 months
<b>Total</b>	<b>\$ 19,974,986</b>		

The District's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments	\$ 12,341,099
Fiduciary fund statement of net position	
Cash and investments	7,633,887
<b>Total</b>	<b>\$ 19,974,986</b>

#### Deposits

*Custodial Credit Risk:* Custodial credit risk 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 for custodial credit risk. As of June 30, 2021, the District's bank balance of \$1,856,724 was not exposed to custodial credit risk as all amounts were insured by the Federal Deposit Insurance Corporation, the State of Wisconsin Public Depository Guarantee Fund, and a line of credit held by the Federal Home Loan Bank of Chicago.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 3: Cash and Investments (Continued)

#### Investments

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

The District is a participant in the Wisconsin Investment Series Cooperative (WISC) funds, which is authorized in Wisconsin Statute 66.0301 and are governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the Securities Exchange Commission (SEC) as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

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

*Credit Risk:* State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool (LGIP). The Wisconsin Investment Series Cooperative has a credit rating of AAAM. The District has no investment policy that would further limit its investment choices.

### Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2021, are as follows:

<b>Due From:</b>	<b>Due To: Employee Benefit Trust</b>
General Fund	\$ 1,097

The purpose for the interfund balance is to account for the an employee contribution to the trust. The amounts will be reimbursed in the subsequent fiscal year.

Interfund transfers during the year ended June 30, 2021, are as follows:

<b>Transfer From:</b>	<b>Transfer To: School Nutrition Services Fund</b>
General Fund	\$ 174,219

The purpose for the interfund transfer to the Food Service Fund is to eliminate negative fund balance at year-end per the Wisconsin Department of Public Instruction. 72

# Waunakee Community School District

## Notes to Financial Statements

### Note 5: Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,724,693	\$ -	\$ -	\$ 2,724,693
Construction in progress	629,337	-	(629,337)	-
<b>Total capital assets not being depreciated</b>	<b>3,354,030</b>	<b>-</b>	<b>(629,337)</b>	<b>2,724,693</b>
Capital assets being depreciated:				
Land improvements	1,911,887	2,120,720	-	4,032,607
Buildings and improvements	136,161,422	1,489,515	-	137,650,937
Equipment	7,489,153	265,110	-	7,754,263
<b>Total capital assets being depreciated</b>	<b>145,562,462</b>	<b>3,875,345</b>	<b>-</b>	<b>149,437,807</b>
Less accumulated depreciation for:				
Land improvements	(1,652,203)	(175,756)	-	(1,827,959)
Buildings and improvements	(43,539,131)	(2,787,079)	-	(46,326,210)
Equipment	(5,766,020)	(468,212)	-	(6,234,232)
<b>Total accumulated depreciation</b>	<b>(50,957,354)</b>	<b>(3,431,047)</b>	<b>-</b>	<b>(54,388,401)</b>
<b>Total capital assets, being depreciated - Net of accumulated depreciation</b>	<b>94,605,108</b>	<b>444,298</b>	<b>-</b>	<b>95,049,406</b>
<b>Governmental activities capital assets - Net</b>	<b>\$ 97,959,138</b>	<b>\$ 444,298</b>	<b>\$ (629,337)</b>	<b>\$ 97,774,099</b>

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 98,091
Vocational instruction	18,048
Other instruction	34,822
Administrative services	14,662
Other support services	50,355
Building Administrative Services	3,215,069
<b>Total depreciation for governmental activities</b>	<b>\$3,431,047</b>

# Waunakee Community School District

## Notes to Financial Statements

### Note 6: Short-Term Notes Payable

The District issues tax anticipation notes in advance of property tax collections. The note dated October 29, 2019 matured on September 30, 2020, with an interest rate of 3%. The note dated October 28, 2020 matures on October 22, 2021, with an interest rate of 3%. Interest for the year ended June 30, 2021 was \$205,955. Short-term debt activity for the year ended June 30, 2021 was as follows:

Description	Balance 07/01/20	Additions	Payments	Balance 06/30/21
Promissory note dated October 29, 2019	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
Promissory note dated October 28, 2020	-	7,900,000	-	7,900,000
<b>Total</b>	<b>\$ 5,000,000</b>	<b>\$ 7,900,000</b>	<b>\$ 5,000,000</b>	<b>\$ 7,900,000</b>

### Note 7: Long-Term Obligations

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance 07/01/20	Additions	Reductions	Balance 06/30/21	Amounts Due Within One Year
Bonds	\$ 66,095,000	\$ -	\$ 5,005,000	\$ 61,090,000	\$ 5,215,000
Deferred amounts:					
Premium	2,645,115	-	299,875	2,345,240	-
<b>Subtotals</b>	<b>68,740,115</b>	<b>-</b>	<b>5,304,875</b>	<b>63,435,240</b>	<b>5,215,000</b>
Net OPEB Liability	4,613,712	-	1,251,248	3,362,464	-
Capital Leases	45,568	-	-	45,568	20,171
Compensated Absences	2,964,719	270,897	-	3,235,616	-
<b>Totals</b>	<b>\$ 76,364,114</b>	<b>\$ 270,897</b>	<b>\$ 6,556,123</b>	<b>\$ 70,078,888</b>	<b>\$ 5,235,171</b>

### General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. Long-term debt will be retired by future property tax levies and resources accumulated in the debt service fund.

# Waunakee Community School District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

General obligation debt at June 30, 2021 is comprised of the following individual issues:

	Governmental Activities			Original amounts	Balance 06/30/21
	Issue Dates	Interest Rates %	Dates of Maturity		
GO BAB Bonds	10/04/10	2.00-4.00%	04/01/30	\$ 4,650,000	\$ 4,650,000
GO Refunding Bonds	10/04/10	5.70%	04/01/22	3,410,000	395,000
G.O. QSCB bonds	10/04/10	5.00%	04/01/24	3,800,000	985,000
GO Refunding Bonds	11/07/11	2.15-4.00%	04/01/25	4,475,000	4,225,000
GO Refunding Bonds	07/10/12	2.00-3.00%	04/01/22	8,950,000	1,395,000
GO Refunding Bonds	04/03/13	2.00-2.50%	03/01/25	9,515,000	5,215,000
GO Bonds	05/11/15	3.25%	04/01/35	9,990,000	8,020,000
GO Bonds	06/08/15	3.00-5.00%	04/01/31	34,800,000	31,435,000
GO Refunding Bonds	02/04/16	1.00-2.00%	04/01/26	9,995,000	4,770,000
<b>Total general obligation debt</b>				<b>\$ 89,585,000</b>	<b>\$ 61,090,000</b>

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,383,828,036. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Debt limit (10% of \$3,383,828,036)	\$ 338,382,804
Deduct:	
Long-term debt applicable to debt margin	(61,090,000)
Add:	
Debt service fund assets available	2,265,023
<b>Margin of indebtedness</b>	<b>\$ 279,557,827</b>

Debt service requirements to maturity on general obligation debt are as follows:

<i>Governmental Activities</i>			
<i>Year Ended June 30:</i>	Principal	Interest	Totals
2022	\$ 5,215,000	\$ 2,326,481	\$ 7,541,481
2023	5,445,000	2,184,571	7,629,571
2024	5,700,000	2,022,346	7,722,346
2025	5,910,000	1,652,860	7,562,860
2026	6,165,000	1,422,984	7,587,984
2027-2031	24,635,000	3,727,696	28,362,696
2031-2035	8,020,000	568,588	8,588,588
<b>Totals</b>	<b>\$ 61,090,000</b>	<b>\$ 13,905,526</b>	<b>\$ 74,995,526</b>

# Waunakee Community School District

## Notes to Financial Statements

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### Note 7: Long-Term Obligations (Continued)

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments in the old debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021 \$1,970,000 of debt outstanding is considered defeased.

### Note 8: Net Position

Net position reported on the government wide statement of net position at June 30, 2021:

<b>Governmental Activities:</b>	
<hr/>	
Net investment in capital assets:	
Land and other nondepreciable assets	\$ 2,724,693
Other capital assets, net of accumulated depreciation	95,049,406
Less: Related long-term debt outstanding (net of unspent proceeds)	(63,480,808)
<hr/>	
Total net investment in capital assets	34,293,291
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Restricted:	
Net pension asset	11,339,821
Common school fund	12,572
Self-insurance	378,625
Debt service	1,692,937
Capital improvements	1,173,399
Special revenue gifts	1,029,444
Community services	473,122
<hr/>	
Total restricted	16,099,920
<hr/>	
Unrestricted	(8,485,342)
<hr/>	
Governmental activities net position	\$ 41,907,869
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# Waunakee Community School District

## Notes to Financial Statements

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### Note 9: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2021:

#### Restricted Fund Balance

Common school fund	\$ 12,572
Self-insurance	378,625
Debt service	2,265,023
Capital improvements	1,173,399
Special revenue gifts	1,029,444
Community services	473,122

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Total restricted fund balance	\$ 5,332,185
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#### Committed Fund Balance

Band uniform and parking lot replacement	\$ 242,735
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#### Assigned Fund Balance

Allocate unspent funds for next fiscal year	\$ 1,033,058
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#### Unassigned Fund Balance

General fund	\$ 5,827,833
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# Waunakee Community School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System

#### 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 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

#### Vesting

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

#### Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2)%	11.0 %
2012	(7.0)%	(7.0)%
2013	(9.6)%	(9.0)%
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	0.0 %	(10.0)%
2020	1.7 %	21.0 %

#### Contributions

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

During the reporting period, the WRS recognized \$2,069,015 in contributions from the employer.

# Waunakee Community School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contribution rates as of June 30, 2021, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2021, the District reported an asset of \$11,339,821 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension 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 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 0.18163655%, which was an increase of 0.00126048% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(1,252,919).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,412,203	\$ 3,535,159
Net differences between projected and actual earnings on pension plan investments	-	21,289,592
Change in assumptions	257,209	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,056	25,809
Employer contributions subsequent to the measurement date	1,222,703	-
<b>Total</b>	<b>\$ 17,906,171</b>	<b>\$ 24,850,560</b>

# Waunakee Community School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

\$1,222,703 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (2,111,272)
2023	(568,773)
2024	(3,853,806)
2025	(1,633,241)

### Actuarial Assumptions

The total pension liability in the December 31, 2019, 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
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement adjustments*	1.9%

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

Actuarial assumptions are based on 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 on a rollforward of the liability calculated from the December 31, 2019, actuarial valuation.

# Waunakee Community School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

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

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4)%
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
<b>Total core fund</b>	<b>115.0%</b>	<b>6.6%</b>	<b>4.1%</b>
Variable fund:			
U.S. equities	70.0%	6.6%	4.1%
International equities	30.0%	7.4%	4.9%
<b>Total variable fund</b>	<b>100.0%</b>	<b>7.1%</b>	<b>4.6%</b>

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%

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

# Waunakee Community School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 7.00% 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 7.00% and a municipal bond rate of 2.00% (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 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
District's proportionate share of the net pension liability (asset)	\$ 10,793,938	\$ (11,339,821)	\$(27,596,903)

### 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

At June 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

# Waunakee Community School District

## Notes to Financial Statements

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### Note 11: Other Postemployment Benefits

Plan description - The District provides other post-employment benefits (OPEB) for its employees through a single-employer defined benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. Benefits and eligibility are established by the Board of Education.

Teachers who have been employed by the District at least 15 years and who have reached the age of 55 are eligible to receive retirement benefits. Teachers hired after April 1, 2008 receive a credit of \$1,000 per year of service to the District to be used to fund a post-employment Health Reimbursement Account (HRA). Teachers hired before April 1, 2008 receive a credit of \$1,200 per year of service to the District to be used to fund a post-employment HRA.

Administrators are eligible for retirement benefits at age 55. The District contributes to health, dental, and life insurance via a Health Reimbursement Account (HRA) for a maximum of 10 years or the age the retired employee is eligible for Medicare, whichever comes first. Premiums contributed are based on a vesting schedule. Vesting varies based on years of services. For employees with less than 6 years of service no premium is contributed. After 6 years, 10% of the premium is contributed for each additional year of services up to 10%. Employees are fully vested at 15 years. Administrators hired after April 1, 2011, will have a deposit to an HRA based on number of hours worked.

Employees covered by benefit terms - At June 30, 2020, the date of the latest actuarial valuation, there were 587 active plan members and 14 inactive plan members receiving OPEB benefits.

Contributions -Contribution requirements are established through past practices and may be amended by the action of the Board of Education. The Board establishes rates based on an actuarially determined rate. Plan members are not required to contribute to the plan.

Actuarial assumptions - The net OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2020
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.0%
Discount Rate	2.25%
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.0% and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17 Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)
Mortality Assumptions	

# Waunakee Community School District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits (Continued)

Discount rate - The discount rate of 2.25% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a long-term expected rate of return of 2.25%). This rate was based upon the District's asset allocation and expected nominal return as of June 30, 2021.

#### Changes in the Net OPEB Liability (Asset)

<i>Changes in Net OPEB Liability</i>	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2020	\$ 6,704,155	\$ 2,944,390	\$ 3,759,765
Changes for the year:			
Service cost	321,404	-	321,404
Interest	147,771	-	147,771
Contributions - Employer	-	489,885	(489,885)
Net investment income	-	376,591	(376,591)
Benefit payments	(594,519)	(594,519)	-
<b>Net changes</b>	<b>(125,344)</b>	<b>271,957</b>	<b>(397,301)</b>
Balances at June 30, 2021	\$ 6,578,811	\$ 3,216,347	\$ 3,362,464

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

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB liability	\$ 3,715,567	\$ 3,362,464	\$ 3,020,812

The following presents the District's net OPEB liability calculated using the health care cost trend rate of 6.5% decreasing to 5.0%, as well as what the District's net OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Net OPEB liability	\$ 3,102,071	\$ 3,362,464	\$ 3,659,940

# Waunakee Community School District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits (Continued)

For the year ended June 30, 2021, the District recognized OPEB expense of \$513,336.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,984	\$ 984,992
Changes in assumptions	95,780	1,367,794
Net difference between projected and actual earnings on OPEB plan investments	74,523	-
<b>Total</b>	<b>\$ 306,287</b>	<b>\$ 2,352,786</b>

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

	Deferred Inflows of Resources
2022	\$ (274,263)
2023	(273,195)
2024	(275,917)
2025	(236,582)
2026	(245,687)
Thereafter	(740,855)

### Note 12: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2021.

## **Required Supplementary Information**

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**Waunakee Community School District**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property taxes	\$ 26,294,430	\$ 26,294,430	\$ 26,294,430	\$ -
Other local sources	1,088,163	858,663	464,334	(394,329)
Interdistrict sources	1,970,198	1,955,234	1,899,892	(55,342)
State sources	24,287,139	24,336,222	24,342,900	6,678
Federal sources	553,599	566,463	487,788	(78,675)
Other sources	498,778	498,778	512,151	13,373
<b>Total revenues</b>	<b>54,692,307</b>	<b>54,509,790</b>	<b>54,001,495</b>	<b>(508,295)</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Regular instruction	24,020,108	24,083,084	23,126,315	956,769
Vocational instruction	1,810,029	1,953,018	1,854,851	98,167
Other instruction	2,021,298	2,048,516	1,944,183	104,333
<b>Total instruction</b>	<b>27,851,435</b>	<b>28,084,618</b>	<b>26,925,349</b>	<b>1,159,269</b>
<b>Support services:</b>				
Pupil services	1,242,043	1,270,557	1,328,221	(57,664)
Instructional staff services	2,887,332	3,067,441	3,124,266	(56,825)
General administration	1,046,720	1,175,441	1,115,865	59,576
Building administration	3,692,795	3,808,332	3,846,604	(38,272)
Business services	10,023,292	9,030,629	8,191,517	839,112
Central services	81,253	81,313	77,320	3,993
Insurance	335,000	335,000	359,454	(24,454)
Other support services	1,949,512	2,009,021	2,067,283	(58,262)
<b>Total support services</b>	<b>21,257,947</b>	<b>20,777,734</b>	<b>20,110,530</b>	<b>667,204</b>
<b>Debt service</b>				
Interest	204,000	204,000	205,955	(1,955)
<b>Total expenditures</b>	<b>49,313,382</b>	<b>49,066,352</b>	<b>47,241,834</b>	<b>1,824,518</b>
Excess of revenues over expenditures	5,378,925	5,443,438	6,759,661	1,316,223
<b>Other financing sources:</b>				
Transfers out	(5,635,100)	(5,524,784)	(5,692,989)	(168,205)
<b>Net change in fund balance</b>	<b>(256,175)</b>	<b>(81,346)</b>	<b>1,066,672</b>	<b>1,148,018</b>
Fund balance - Beginning of year	6,428,151	6,428,151	6,428,151	-
<b>Fund balance - End of year</b>	<b>\$ 6,171,976</b>	<b>\$ 6,346,805</b>	<b>\$ 7,494,823</b>	<b>\$ 1,148,018</b>

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedule.

# Waunakee Community School District

## Notes to Budgetary Comparison Schedule - General Fund

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### Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI). The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

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

Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

# Waunakee Community School District

## Notes to the Budgetary Comparison Schedule - General Fund (Continued)

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### Note 2: Budgetary Comparisons

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

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

	<b>General Fund Actual on Budgetary Basis</b>	<b>Special Education Fund</b>	<b>General Fund Actual on GAAP Basis</b>
Revenues	\$ 54,001,495	\$ 2,878,998	\$ 56,880,493
Expenditures	(47,241,834)	(8,397,768)	(55,639,602)
Other financing sources (uses)	(5,692,989)	5,518,770	(174,219)
Net change in fund balance	\$ 1,066,672	\$ -	\$ 1,066,672

### Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	<b>Budget</b>	<b>Actual</b>	<b>Actual Over Budget</b>
Pupil services	\$ 1,270,557	\$ 1,328,221	\$ 57,664
Instructional staff services	3,067,441	3,124,266	56,825
Building administration	3,808,332	3,846,604	38,272
Insurance	335,000	359,454	24,454
Other support services	2,009,021	2,067,283	58,262
Debt service - interest	204,000	205,955	1,955

**Waunakee Community School District**  
**Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)**  
**and Employer Contributions - Wisconsin Retirement System**  
 Last 10 Years\*

**Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)**  
**Wisconsin Retirement System (WRS)**  
 Last 10 Calendar Years\*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.18163655 %	\$ (11,339,821)	\$ 30,376,745	(37.33)%	105.26 %
2019	0.18037600	(5,816,148)	29,182,831	(19.93)	102.96
2018	0.17849100	6,350,158	27,774,660	22.86	96.45
2017	0.17547800	(5,210,156)	26,449,566	(19.70)	102.93
2016	0.17053400	1,406,103	25,521,523	5.51	99.12
2015	0.16757700	2,723,101	24,804,900	10.98	98.20
2014	0.16689200	(4,098,207)	24,191,077	(16.94)	102.74

**Schedule of the Employer Contributions**  
**Wisconsin Retirement System (WRS)**  
 Last 10 Fiscal Years\*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2021	\$ 2,069,015	\$ 2,069,015	\$ -	\$ 30,651,834	6.75 %
2020	1,911,485	1,911,485	-	30,064,495	6.36
2019	1,860,902	1,860,902	-	27,998,578	6.65
2018	1,798,630	1,798,630	-	27,270,041	6.60
2017	1,798,630	1,798,630	-	25,956,056	6.93
2016	1,657,559	1,657,559	-	25,521,523	6.49
2015	1,665,033	1,665,033	-	24,388,896	6.83

**Notes to the Schedules:**

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

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

\*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Waunakee Community School District**  
**Schedule of Changes in Net OPEB Liability and**  
**Related Ratios**  
**Last 10 Fiscal Years**

Fiscal Year Ending - June 30,	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 321,404	\$ 431,620	\$ 400,957	\$ 600,092
Interest	147,771	254,740	254,812	242,874
Differences between expected and actual experience	-	(899,814)	-	194,262
Changes in assumptions or other input	-	(2,933)	119,726	(1,950,182)
Benefit payments	(594,519)	(283,885)	(331,177)	(245,382)
<b>Net Change in OPEB Liability</b>	<b>(125,344)</b>	<b>(500,272)</b>	<b>444,318</b>	<b>(1,158,336)</b>
Total OPEB liability - beginning	6,704,155	7,204,427	6,760,109	7,918,445
<b>Total OPEB liability - ending</b>	<b>\$ 6,578,811</b>	<b>\$ 6,704,155</b>	<b>\$ 7,204,427</b>	<b>\$ 6,760,109</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 489,885	\$ 587,108	\$ 587,220	\$ 564,841
Net investment income	376,591	50,452	37,175	12,416
Benefit payments	(594,519)	(283,885)	(331,177)	(245,382)
Adjustment - Note 1	-	-	-	1,136,646
<b>Net Change in Plan Fiduciary Net Position</b>	<b>271,957</b>	<b>353,675</b>	<b>293,218</b>	<b>1,468,521</b>
Plan Fiduciary Net Position - beginning	2,944,390	2,590,715	2,297,497	828,976
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 3,216,347</b>	<b>\$ 2,944,390</b>	<b>\$ 2,590,715</b>	<b>\$ 2,297,497</b>
<b>Net OPEB Liability</b>	<b>\$ 3,362,464</b>	<b>\$ 3,759,765</b>	<b>\$ 4,613,712</b>	<b>\$ 4,462,612</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>				
	48.89%	43.92%	35.96%	33.99%
<b>Covered payroll</b>	<b>\$29,189,262</b>	<b>\$29,189,262</b>	<b>\$26,556,897</b>	<b>\$26,556,897</b>
<b>Net OPEB liability as a percentage of covered payroll</b>				
	11.52%	12.88%	17.37%	16.80%

\* These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Waunakee Community School District**  
**Schedule of Changes in Net OPEB Liability and**  
**Related Ratios**  
**Last 10 Fiscal Years**

Fiscal Year Ending - June 30,	2017	2016
<b>Total OPEB Liability</b>		
Service cost	\$ 582,614	\$ 549,170
Interest	237,452	225,676
Differences between expected and actual experience	(365,688)	(5,292)
Changes in assumptions or other input	-	-
Benefit payments	(102,465)	(352,833)
<b>Net Change in OPEB Liability</b>	<b>351,913</b>	<b>416,721</b>
<b>Total OPEB liability - beginning</b>	<b>7,566,532</b>	<b>7,149,811</b>
<b>Total OPEB liability - ending</b>	<b>\$ 7,918,445</b>	<b>\$ 7,566,532</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 589,384	\$ 508,468
Net investment income	8,322	5,441
Benefit payments	(102,465)	(352,833)
Adjustment - Note 1	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>495,241</b>	<b>161,076</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>333,735</b>	<b>172,659</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 828,976</b>	<b>\$ 333,735</b>
<b>Net OPEB Liability</b>	<b>\$ 7,089,469</b>	<b>\$ 7,232,797</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>10.47%</b>	<b>4.41%</b>
<b>Covered payroll</b>	<b>\$25,638,082</b>	<b>\$23,967,500</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>27.65%</b>	<b>30.18%</b>

\* These schedules are intended to present information for the last 10 years.  
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Waunakee Community School District**  
**Schedule of Employer Contributions - OPEB**  
**Last 10 Fiscal Years**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Employee Payroll
6/30/2021	\$ 587,108	\$ 489,885	\$ 97,223	\$29,189,262	1.68%
6/30/2020	587,108	587,108	-	29,189,262	2.01%
6/30/2019	666,290	587,220	79,070	26,556,897	2.21%
6/30/2018	816,351	564,841	251,510	26,556,897	2.13%
6/30/2017	816,351	102,465	713,886	25,638,082	0.40%
6/30/2016	516,717	508,468	8,249	23,967,500	2.12%

**Notes to Schedule:**

Valuation date: 6/30/2020

Method and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	30 year Level %
Asset valuation method	Market value
Inflation	2.5 percent
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter
Discount rate	2.25 percent
Actuarial assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement (WRS) experience from 2015-17
Mortality assumptions	Mortality rates were based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 50%)

\* These schedules are intended to present information for the last 10 years.

Additional information will be presented as it becomes available.

See Independent Auditor's Report.

## **Supplementary Financial Information**

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**Waunakee Community School District**  
**Combining Balance Sheet - General Fund**  
**June 30, 2021**

	General Operating Fund	Special Education Fund	Total General Fund
<b>Assets:</b>			
Cash and investments	\$ 7,357,551	\$ (18,805)	\$ 7,338,746
Receivables:			
Accounts	281,284	141	281,425
Taxes	8,763,795	-	8,763,795
Due from other governments	468,311	113,789	582,100
<b>Total assets</b>	<b>\$ 16,870,941</b>	<b>\$ 95,125</b>	<b>\$ 16,966,066</b>
<b>Liabilities:</b>			
Short-term notes payable	\$ 7,900,000	\$ -	\$ 7,900,000
Accounts payable	197,013	40,935	237,948
Accrued payroll	993,949	54,190	1,048,139
Accrued interest	159,251	-	159,251
Due to other funds	1,097	-	1,097
Medical claims payable	124,808	-	124,808
<b>Total liabilities</b>	<b>9,376,118</b>	<b>95,125</b>	<b>9,471,243</b>
<b>Fund balances:</b>			
Restricted	391,197	-	391,197
Committed	242,735	-	242,735
Assigned	1,033,058	-	1,033,058
Unassigned	5,827,833	-	5,827,833
<b>Total fund balances</b>	<b>7,494,823</b>	<b>-</b>	<b>7,494,823</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,870,941</b>	<b>\$ 95,125</b>	<b>\$ 16,966,066</b>

See Independent Auditor's Report.

**Waunakee Community School District**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - General Fund**  
**Year Ended June 30, 2021**

	General Operating Fund	Special Education Fund	Total General Fund
<b>Revenues:</b>			
Property taxes	\$ 26,294,430	\$ -	\$ 26,294,430
Other local sources	464,334	-	464,334
Interdistrict sources	1,899,892	30,000	1,929,892
Intermediate sources	-	7,878	7,878
State sources	24,342,900	2,083,613	26,426,513
Federal sources	487,788	757,507	1,245,295
Other sources	512,151	-	512,151
<b>Total revenues</b>	<b>54,001,495</b>	<b>2,878,998</b>	<b>56,880,493</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Regular instruction	23,126,315	317,241	23,443,556
Vocational instruction	1,854,851	-	1,854,851
Special instruction	-	5,984,474	5,984,474
Other instruction	1,944,183	-	1,944,183
<b>Total instruction</b>	<b>26,925,349</b>	<b>6,301,715</b>	<b>33,227,064</b>
<b>Support services:</b>			
Pupil services	1,328,221	1,288,936	2,617,157
Instructional staff services	3,124,266	518,367	3,642,633
General administration	1,115,865	-	1,115,865
Building administration	3,846,604	-	3,846,604
Business services	8,191,517	194,659	8,386,176
Central services	77,320	7,216	84,536
Insurance	359,454	33,495	392,949
Other support services	2,067,283	53,380	2,120,663
<b>Total support services</b>	<b>20,110,530</b>	<b>2,096,053</b>	<b>22,206,583</b>
<b>Debt service:</b>			
Interest	205,955	-	205,955
<b>Total expenditures</b>	<b>47,241,834</b>	<b>8,397,768</b>	<b>55,639,602</b>
Excess of revenues over (under) expenditures	6,759,661	(5,518,770)	1,240,891
<b>Other financing sources:</b>			
Transfers out	(5,692,989)	5,518,770	(174,219)
<b>Net change in fund balances</b>	<b>1,066,672</b>	<b>-</b>	<b>1,066,672</b>
Fund balances - Beginning of year	6,428,151	-	6,428,151
<b>Fund balances - End of year</b>	<b>\$ 7,494,823</b>	<b>\$ -</b>	<b>\$ 7,494,823</b>

See Independent Auditor's Report.

**Waunakee Community School District**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Gift Fund	Capital Projects Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>						
Cash and investments	\$ 972,696	\$ 1,176,911	\$ 97,302	\$ 9,674	\$ 480,747	\$ 2,737,330
Accounts receivable	66,624	-	1,594	-	-	68,218
Due from other governments	7,100	-	10,425	-	7,075	24,600
<b>Total assets</b>	<b>\$ 1,046,420</b>	<b>\$ 1,176,911</b>	<b>\$ 109,321</b>	<b>\$ 9,674</b>	<b>\$ 487,822</b>	<b>\$ 2,830,148</b>
<b>Liabilities:</b>						
Accounts payable	\$ 16,231	\$ 3,512	\$ -	\$ 9,674	\$ 4,675	\$ 34,092
Accrued payroll	-	-	15,196	-	10,025	25,221
Unearned revenue	745	-	94,125	-	-	94,870
<b>Total liabilities</b>	<b>16,976</b>	<b>3,512</b>	<b>109,321</b>	<b>9,674</b>	<b>14,700</b>	<b>154,183</b>
<b>Fund balances:</b>						
Restricted	1,029,444	1,173,399	-	-	473,122	2,675,965
<b>Total fund balances</b>	<b>1,029,444</b>	<b>1,173,399</b>	<b>-</b>	<b>-</b>	<b>473,122</b>	<b>2,675,965</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,046,420</b>	<b>\$ 1,176,911</b>	<b>\$ 109,321</b>	<b>\$ 9,674</b>	<b>\$ 487,822</b>	<b>\$ 2,830,148</b>

See Independent Auditor's Report.

**Waunakee Community School District**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended June 30, 2021**

	Special Revenue Gift Fund	Capital Projects Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ -	\$ 509,296	\$ -	\$ -	\$ 450,091	\$ 959,387
Other local sources	683,996	550	919,787	-	32,980	1,637,313
Interdistrict sources	-	-	-	156,560	-	156,560
Federal sources	-	-	-	-	19,291	19,291
Other sources	7,078	12,636	537	-	-	20,251
<b>Total revenues</b>	<b>691,074</b>	<b>522,482</b>	<b>920,324</b>	<b>156,560</b>	<b>502,362</b>	<b>2,792,802</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Regular instruction	42,270	-	-	-	-	42,270
Vocational instruction	4,423	-	-	-	-	4,423
Other instruction	244,570	-	-	-	-	244,570
<b>Total instruction</b>	<b>291,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,263</b>
<b>Support services:</b>						
Pupil services	7,532	-	-	-	-	7,532
Instructional staff services	50,758	-	-	151,663	-	202,421
Business services	222,513	1,207,752	1,078,968	3,600	13,741	2,526,574
Central services	-	-	-	-	24,793	24,793
Insurance	-	-	379	-	2,065	2,444
Other support services	-	-	15,196	1,297	325,017	341,510
<b>Total support services</b>	<b>280,803</b>	<b>1,207,752</b>	<b>1,094,543</b>	<b>156,560</b>	<b>365,616</b>	<b>3,105,274</b>
<b>Total expenditures</b>	<b>572,066</b>	<b>1,207,752</b>	<b>1,094,543</b>	<b>156,560</b>	<b>365,616</b>	<b>3,396,537</b>
Excess of revenues over (under) expenditures	119,008	(685,270)	(174,219)	-	136,746	(603,735)
<b>Other financing sources:</b>						
Transfers in	-	-	174,219	-	-	174,219
<b>Net change in fund balances</b>	<b>119,008</b>	<b>(685,270)</b>	<b>-</b>	<b>-</b>	<b>136,746</b>	<b>(429,516)</b>
Fund balances - Beginning of year	910,436	1,858,669	-	-	336,376	3,105,481
<b>Fund balances - End of year</b>	<b>\$ 1,029,444</b>	<b>\$ 1,173,399</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 473,122</b>	<b>\$ 2,675,965</b>

See Independent Auditor's Report.

## **Other Reports**

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards***

Board of Education  
Waunakee Community School District  
Waunakee, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waunakee Community School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2021.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

## Purpose of This Report

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 8, 2021  
Madison, Wisconsin

## **Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines**

Board of Education  
Waunakee Community School District  
Waunakee, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Waunakee Community School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its 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 auditor's 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Wisconsin 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 on 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 and 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

*Wipfli LLP*

Wipfli LLP  
December 8, 2021  
Madison, Wisconsin

# Waunakee Community School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Expenditures	Accrued Revenue 6/30/2021
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Pass-through program from Wisconsin Department of Public Instruction						
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2021-136181-DPI-IDEA-FT-341	\$ 91,761	\$ 713,148	\$ 734,712	\$113,325
Preschool Entitlement	84.173	2021-136181-DPI-IDEA-P-347	489	8,149	7,660	-
Total Special Education Cluster			<u>92,250</u>	<u>721,297</u>	<u>742,372</u>	<u>113,325</u>
Title I Grants to Local Educational Agencies	84.010	2021-136181-DPI-TIA-141	15,014	65,086	87,949	37,877
Supporting Effective Instruction State Grants	84.367	2021-136181-DPI-TIIA-365	3,827	43,575	52,015	12,267
Student Support and Academic Enrichment Grants	84.424	2021-136181-DPI-TIV-A-381	-	9,999	9,999	-
<i>Education Stabilization Fund</i>						
COVID-19 Elementary and Secondary School						
Emergency Relief Fund	84.425	2021-136181-DPI-ESSERF-160	-	63,224	63,224	-
Career and Technical Education -- Basic Grants to States	84.048	2021-136181-DPI-CTE-400	4,092	18,021	14,865	936
Total U.S. Department of Education			<u>115,183</u>	<u>921,202</u>	<u>970,424</u>	<u>164,405</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Drug-Free Communities Support Program Grants	93.276	6 NH28CE002991-01-01	-	12,189	19,291	7,102
Medicaid Cluster	93.778	N/A	10,465	284,200	274,872	1,137
Total U.S. Department of Health and Human Services			<u>10,465</u>	<u>296,389</u>	<u>294,163</u>	<u>8,239</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$125,648</u>	<u>\$1,217,591</u>	<u>\$ 1,264,587</u>	<u>\$172,644</u>

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See Independent Auditor's Report.

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

# Waunakee Community School District

## Schedule of State Financial Assistance

Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Expenditures	Accrued Revenue 6/30/2021
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents	255.101	136181-100	\$ -	\$ 2,083,613	\$ 2,083,613	\$ -
Common School Fund Library Aid	255.103	136181-104	-	155,027	155,027	-
General Transportation Aid for Public School Pupils	255.107	136181-102	-	81,476	81,476	-
Equalization Aids	255.201	136181-116	339,174	20,547,027	20,532,274	324,421
Aid for School Mental Health Programs	255.227	136181-176	-	81,578	81,578	-
Supplemental Per Pupil Aid	255.245	136181-181	-	12,544	12,544	-
Early College Credit Program	255.445	136181-178	-	580	580	-
Educator Effectiveness Eval Sys Grants	255.940	136181-154	27,840	27,840	29,520	29,520
Per Pupil Aid	255.945	136181-113	-	3,062,976	3,062,976	-
Career and Technical Education Incentive Grants	255.950	136181-152	-	66,204	66,204	-
Assessments of Reading Readiness	255.956	136181-166	-	8,374	8,374	-
Total Wisconsin Department of Public Instruction			367,014	26,127,239	26,114,166	353,941
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
State Aid - Personal Property Tax	835.103	N/A	-	203,245	203,245	-
Exempt Computer Aid	835.109	N/A	58,852	58,852	58,852	58,852
Total Wisconsin Department of Revenue			58,852	262,097	262,097	58,852
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
Safety Initiative Grant	455.201	N/A	1,961	21,395	19,434	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 427,827	\$ 26,410,731	\$ 26,395,697	\$ 412,793

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See Independent Auditor's Report.

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

# Waunakee Community School District

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

Year Ended June 30, 2021

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### **Note 1: Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2021. The information in these schedules is presented in accordance with the 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 of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **Note 2: De Minimis Cost Rate**

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### **Note 3: Special Education and School Age Parents Program**

2020-2021 eligible costs under the State Special Education Program are \$7,465,097.

### **Note 4: Subrecipients**

The District does not have subrecipients or subrecipient expenditures.

# Waunakee Community School District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to the financial statements noted?	No

#### *Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

Assistance Listing Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

# Waunakee Community School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### Section I - Summary of Auditor's Results (Continued)

#### *State Financial Assistance*

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major state programs:

State ID Number	Name of State Program
255.101	Special Education and School Age Parents
255.107	Pupil Transportation
255.201	Equalization Aids
Federal program audited as a major program to meet State requirements:	
93.778	Medicaid Cluster

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### Section II - Financial Statement Findings

None.

### Section III - Federal and State Findings and Questioned Costs

None

# Waunakee Community School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### Section IV - Other Issues

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

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Public Instruction	No
Department of Justice	No
Department of Revenue	No
Department of Health Services	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes



Name of Partner

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Dan Walker

Date

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December 8, 2021