

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

Thursday, December 7, 2023

7:30 AM

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 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.

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENTS

V. 2024 BOND PROCEEDS MANAGEMENT

8

The purpose of this agenda item is to discuss the topic of 2024 bond proceeds management. Regarding the November 2022 referendum, the school board has approved borrowings for \$9.9 million and \$99 million of the \$175 million approved by the voters. There are different federal requirements that apply to each of the above borrowings. This discussion will focus on the \$99 million bond issue. Attached please find documentation on this topic from our financial advisor PMA.

The attached document estimates interest earnings of \$5 million from the investments related

to the \$99 million bond issue. The district, working with our financial partners (PMA and OCB), has successfully invested the funds since January of 2023 to maximize interest earnings. The budget committee made a recommendation to the board in February 2023 regarding our investment strategy.

Our interest earnings could exceed what is allowed by the IRS. The IRS requires specific spending targets in order to retain all interest earnings when said earnings exceed the rate of borrowing for the bond issue. In our case, the estimated interest earned is \$5 million and the estimated maximum allowed is \$3.6 million, unless the spending targets have been met. The spending targets are as follows for the \$99 million bond issue:

25% by August 1, 2023 (have met this requirement)

50% by February 1, 2024 (on track to meet this requirement)

75% by August 1, 2024 (behind schedule to meet this requirement)

100% by February 1, 2025 (behind schedule to meet this requirement)

We are seeking board member feedback on 3 potential paths for planning in 2024:

- 1) Seek lower rate of return investments to reduce overall interest earnings. (Ex: tax-free municipal bonds)
- 2) Continue current investment plan and spending plan with the understanding we will not meet the 75% and 100% spend down requirements and will need to return \$1.4 million in interest earnings to the IRS.
- 3) Continue current investment plan and accelerate our spending plan with a goal of meeting the 75% and 100% spend down requirements. If this approach is preferred, administration will need to present capital maintenance expenditures of a significantly larger scale over the next couple of months. We will also have to work with Vogel Bros. to seek opportunities to lock in costs for middle school supplies, materials, equipment, etc.

We look forward to hearing your feedback on this topic.

VI. 2024 FEDERAL ENERGY EFFICIENCY INCENTIVE PROGRAMS 10

The purpose of this agenda item is to review the federal energy efficiency programs that are available in 2024. Attached please find information on both the Energy Policy Act of 2005 (179D) and the Inflation Reduction Act from August 2022 (Direct Pay).

This discussion is directly related to the prior discussion. In the event there is an interest in following path 3 from above, energy efficiency projects will be a significant component of our approach. Our total utility spending in the last 3 years is as follows:

2020-2021: \$1,042,198.91

2021-2022: \$1,278,471.00

2022-2023: \$1,309,499.15

Total utility spend is a function of several factors including weather, cost of the energy, and amount of usage. A good comparison to make is our utility expenditures compared to similar organizations. We can make this comparison through Frontline Comparative Analytics. Our

overall educational expenses are the 3rd lowest among comparable Dane County districts. However, our utility expenditures rank 4th highest when compared to those same districts. Please see the attachment.

Utility expenditures will improve in 24-25 because of the replacement of the Heritage complex with a new energy efficient Heritage Elementary. Annual savings are estimated to be \$30,000 to \$40,000. Our largest expenditure in the utility category is electrical costs. Outside of specific targeted projects, the district has not invested in modern energy efficient lighting throughout our older facilities.

Attached please find initial proposals from Westphal on updating the lighting at Prairie Elementary and the High School to modern lighting systems. We will also need proposals for the Middle School and Arboretum.

Energy efficiency projects will have multiple benefits in 2024:

- 1) Reducing utility expenditures in fund 10
- 2) Improved classroom lighting throughout all 4 older facilities
- 3) Opportunity to pursue both state and federal energy efficiency incentives
- 4) Environmental impact of reduced energy usage

Administration is not requesting approval of these projects at the December meeting. If there is interest by the board, administration will vet these projects out for compliance with applicable state and federal incentive programs prior to seeking approval. Administration will be requesting feedback from the budget committee on the professional partnerships necessary for this work (legal and accounting).

In addition to energy efficient lighting projects, other projects like solar systems, HVAC systems, and EV charging systems are also eligible for these federal incentive programs. The new Heritage Elementary design includes a geothermal system, a solar system, and EV charging stations for both district and staff/public use. Administration will also be pursuing all available federal incentives for our energy efficiency efforts at the new Heritage Elementary school.

Regarding EV charging stations, the district will need to have a policy regarding our approach to electric vehicles not belonging to the district (staff, visitors, general community use). We are seeking board member feedback regarding the best approach to create a district policy for these EV charging stations.

VII. 2023-2024 BUDGET UPDATE

A. Discussion of Carryover Budgets

20

The purpose of this discussion is to review building and department carryover balances.

Please see the attached report that identifies carryover balances as of June 30, 2023. You can find this information in the first column on the left.

B. Natural Gas Purchasing 21

The purpose of this agenda item is to review natural gas purchasing. Attached please find documents from Symmetry. The district purchases natural gas directly from Symmetry instead of purchasing through our local utility provider MGE. Our symmetry rep, Dan Navin, will be in attendance at the meeting. Natural gas rates are lower than in recent years and we have the opportunity to lock in rates for a portion of our natural gas purchases for 2024. Dan will review options with the committee. We are seeking your feedback on how to proceed. A decision would be necessary at the December 11 board meeting in order to lock in natural gas purchases for January 2024.

C. End of the Year Balance Projection

The purpose of this agenda item is to review the projected end of the year balance. The 23-24 Fund 10 budget approved by the School Board in October was balanced and included a \$100,000 contingency. As of the end of November, the school board has not approved any costs to come out of the contingency budget.

There are three other items to note:

- 1) The utility expenditures could exceed the utility budget by a significant dollar amount. 2022-23 expenditures were \$1.3 million while the 2023-24 budget includes \$1.12 million for utilities.
- 2) Transportation fuel clause expenses could result in an additional budgetary impact of \$75-100,000.
- 3) Postemployment benefit payments have not been budgeted for the last several years. The budget committee makes a decision on this payment towards the end of the fiscal year.

VIII. 2024-2025 BUDGET PLANNING

A. Timeline 56

The purpose of this agenda item is to discuss the draft of the 2024-2025 budget process. Attached please find the budget timeline.

B. Review Enrollment Projection Scenarios 57

The purpose of this agenda item is to review enrollment projection scenarios. Attached please find a document that includes historical Third Friday in September counts and several enrollment projection models. Administration is recommending a budget planning process utilizing the 5-year average for enrollment planning. The most significant take-away from the attached document is that we will have a reduction in our student count of 113 students by moving our existing enrollment from one grade to the next. The 5-year average is projecting an increase of 100 new students, which nets out to a -13 overall. Administration is seeking feedback from the Budget Committee on this topic.

The purpose of this agenda item is to take a first look at a high level five-year budget projection. This budget projection assumes the following:

- Enrollment changes per the 5-year average enrollment projection model
- School finance system continues with \$325/student increase in the revenue limit formula
- Non-recurring operational referendums that total \$8.127 million continuing past 2024-25. You can add \$8.127 million to the deficit for each year past 2024-25 if you assume the non-recurring operational referendums do not continue.
- Expenditures increase at a CPI level for salary plus compensation systems, health insurance increases at 3%, transportation and utilities increase at 5%
- ESSER funding is removed

The five-year budget projection provides an initial look at the deficits that are created because of the difference between revenues increasing at \$325 per student and inflationary increases in expenditures.

D. Next Steps

The purpose of this agenda item is to discuss next steps for 2024-25 budget planning. The major milestone for the January 2024 board meeting is the approval of open enrollment capacity. Administration will be using the enrollment projections and FTE planning to identify open enrollment capacity following existing school board policies. We do intend to present information on the middle school with the 4 additional FTE for the scheduling change and the associated class size/open enrollment capacity.

IX. DISCUSSION/ACTION ON PROPOSALS

A. School Perceptions Community Survey 63

The purpose of this agenda item is to discuss a School Perceptions community survey on the topic of operational referendums/long-term financial planning. Attached please find a proposal from School Perceptions.

At the board retreat this past summer, we discussed the concept of a School Perceptions community survey to receive feedback on a variety of financial planning topics. Administration would recommend a survey to be released prior to spring break with a draft presented to the budget committee/school board in early February. We look forward to your feedback on this topic.

B. Audit Proposal 69

The purpose of this discussion is to discuss the proposal from our audit firm Wipfli for a five-year agreement. Please see the proposal attached.

The school auditing environment is challenging. Fewer accounting firms are conducting

public school audits. The last two audit firms for our district, prior to Wipfli, left the public school auditing field. Administration would like to secure the services of an audit firm for a longer time frame. Wipfli stepped in when our previous audit firm declined to continue school auditing. The audit proposal for 2023-24 has a base price of \$24,000 which can be compared to a base price of approximately \$20,000 for 2022-23.

C. Federal Energy Efficiency Accounting and Legal Partnerships 71

The purpose of this agenda item is to discuss the proposals for accounting and legal services associated with federal energy efficiency programs. Please the attached proposal from Wipfli for the accounting services.

The district needs to secure both accounting and legal services in order to pursue the federal energy efficiency programs referenced earlier in the agenda. Our auditing firm, Wipfli, has a department dedicated towards this work. We have also discussed the legal services with a Madison based attorney, Michael Allen, from McCauley Lyman LLC. Michael's rates are \$382.50/hr and \$162.50/hr for paralegal work. The majority of the work is accounting based, but legal assistance would be required for contracts.

Administration is recommending approval of these partnerships.

D. Traffic Study Proposal 73

The purpose of this agenda item is to discuss a proposal from Traffic Analysis Design Inc. Attached please find the proposals. One proposal covers the new schools (\$49,776) and one proposal covers all of the existing schools (\$37,095).

Administration shared a presentation regarding transportation at the November board meeting. One of the topics from the presentation was hazardous transportation areas. An initial proposal for traffic studies was shared with the board in November.

Administration requested a revised proposal based on the discussion that took place in November. Administration is requesting approval of the proposals. The traffic study is expected to take 3-4 months to complete. Administration intends to fund the new school proposal out of referendum funds and the existing schools proposal out of the general fund.

X. OTHER ITEMS FOR DISCUSSION

A. Lamers Contract

The purpose of this agenda item is to review our contract with Lamers. Our seven-year contract with Lamers expires at the conclusion of the 2024 summer school session. We need to make a decision to either extend the existing contract or seek proposals in early 2024.

Administration is recommending a three-year contract extension for the 2024-25 to 2026-27 school years. The district will be opening two new school buildings during this period of time. In addition, the district may be conducting a traffic study and considering

other policy changes. A full request for proposal process would be less challenging after we get through the opening of the two new schools. Administration is requesting permission to request a three-year contract extension to present to the budget committee in January.

B. 2022-23 Financial Audit

85

The purpose of this agenda item is to review the 2022-23 financial audit and supporting documents. Attached please find the draft audit provided by Wipfli. Administration will provide a high level overview of the information that has been attached.

XI. FUTURE AGENDA ITEMS

XII. 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.”



Bond Portfolio Management Report

WCSD - \$99MM G.O. Prom Notes, Series 2023 - New Draw (June 2023)

As of 11/14/23

Investment Earnings Detail		Investment Proceeds Information	
\$3,743,855.80	Current Portfolio Interest Income Estimate	02/01/23	Closing Date - Investment Proceeds Received
\$1,265,744.58	Potential Interest Income on Balances (5.36%)		
<u>\$5,009,600.38</u>	Estimated Interest Income (Not including Rebate)	\$99,000,000.00	Investment Proceeds Received
		+ \$3,598,296.06	Total Interest Income Net of Rebate
\$4,000,000.00	Original Portfolio Interest Income Estimate	= \$102,598,296.06	Total Funding Available as of 11/14/23
3.980%	Total Return for Arbitrage Purposes	- \$23,951,751.32	Cumulative Expenses Through 11/14/23
255	Weighted Avg Life of Future Projected Expenses	= <u>\$78,646,544.74</u>	Outstanding P & I Net of Rebate after 11/14/23

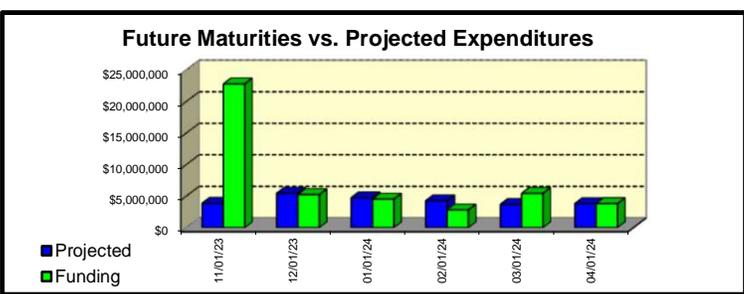
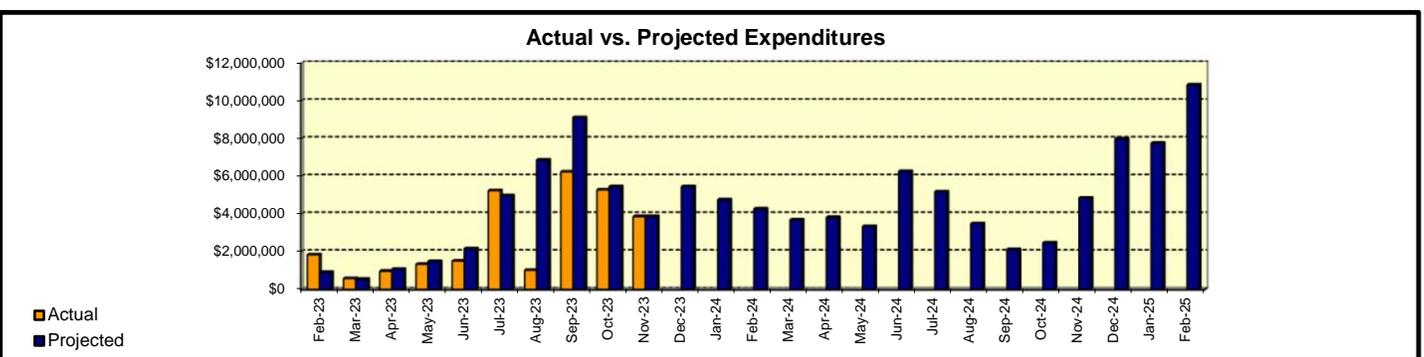
Portfolio Arbitrage Status

Yield Restriction: The bond proceeds currently fall under the three year temporary period and are therefore not yield restricted.

Arbitrage Rebate: The proceeds are subject to arbitrage rebate; however, the district is currently qualifying for the two year exception. Based on cashflow projections, the district does expect to pay arbitrage.

\$5,009,600.38	Estimated Interest Income (Not including Rebate)	\$5,009,600.38	3.980%	Current Interest Estimate for Arbitrage Purposes
\$1,411,304.32	Anticipated Arbitrage Rebate Liability	\$3,598,296.06	2.890%	Maximum Interest Limited by Arbitrage Yield
<u>\$3,598,296.06</u>	Total Interest Income Net of Rebate	<u>\$1,411,304.32</u>	1.090%	Potential Arbitrage Rebate Liability

Regulatory Requirement			Actual/Projected Portfolio Status			Regulatory Status as of 11/14/23	
Estimated Spend-Down Requirements			Cumulative Expenses			\$23,951,751.32	Expenses to Date: 23.03%
08/01/23	10%	\$10,400,960.04	11.00%	\$11,437,000.94	Actual Expense	You have met the 10% requirement.	
02/01/24	45%	\$46,804,320.17	36.54%	\$38,004,729.32	Projected Expense	Need to spend an additional \$22,852,568.85	
08/01/24	75%	\$78,007,200.29	62.04%	\$64,525,332.32	Projected Expense	Need to spend an additional \$54,055,448.97	
02/01/25	100%	\$104,009,600.38	100.00%	\$104,009,600.38	Projected Expense	Need to spend an additional \$80,057,849.06	
02/01/26						Need to spend an additional \$80,057,849.06	



Funding Date	Projected Expenses	Portfolio Funding
11/15/23	\$3,860,515.00	\$22,793,358.57
12/11/23	\$5,445,982.00	\$5,248,440.00
01/15/24	\$4,746,481.00	\$4,524,841.25
02/12/24	\$4,265,991.00	\$2,820,714.37
03/11/24	\$3,686,711.00	\$5,439,285.43
04/08/24	\$3,816,371.00	\$3,823,116.25

Disclosure Statement on reverse side of report.

Disclosure Statement: Bond Portfolio Management Report

The information and projections on the Bond Portfolio Management Report on the reverse side of this page is derived from information that comes from various sources. PMA Financial Network, Inc. (PMA) will assume, without further research, that all information provided by you (the "Issuer") or the Issuer's staff, agents and/or other intermediaries working on the Issuer's behalf is accurate. Such items may include but are not limited to:

- Information regarding the structure and pricing of the Issuer's bond issue and corresponding arbitrage yield limits.
- Information regarding the projected expenditures of the project.
- Information regarding the actual amounts and timing of disbursements on the project.
- Information and representations made by the Issuer and/or its intermediaries in any Issuer or bond issue document.

This report is designed as a planning tool that should be used for informational purposes only. The methodology used in preparing the report and its corresponding projections is dependent on certain data. This data may be generated using actual data and/or "reasonable" assumptions. Such items include but are not limited to:

- Investment/reinvestment assumptions that relate to actual dollars being invested/reinvested and/or the interest rates at which investments/reinvestments could be executed.
- It is assumed that the speed of the expenditures will not exceed the most current projection of expenditures and that fixed term investments will not be liquidated.

PMA does not take responsibility for any affect that other bond issues or borrowings may have on the projections or the stated or implied investment strategies. Furthermore, PMA does not take responsibility for differences between the projections on the report and any third party calculation. PMA does not take responsibility for any changes in tax law. Finally, PMA does not take responsibility for the issuer not meeting the requirements for an exception to the arbitrage/yield restriction rules.



Federal solar tax credits for nonprofit & government

Construction and Real Estate

Don't miss this savings opportunity

The Solar Investment Tax Credit is one of the most important federal policy mechanisms to support the growth of solar energy in the United States. Since it was enacted in 2006, the U.S. solar industry has grown by more than 200x, creating hundreds of thousands of jobs and investing billions of dollars in the U.S. economy in the process.

Wipfli professionals work with you to secure the maximum dollars allowed by law and help create a cleaner, more sustainable future, and we'd love for you to join us on this journey.

- The investment tax credit (ITC) is a tax credit that reduces the federal income tax liability for a percentage of the cost of a solar system that is installed during the tax year.
- The production tax credit (PTC) is a per-kilowatt-hour (kWh) tax credit for electricity generated by solar and other qualifying technologies for the first 10 years of a system's operation. It reduces the federal income tax liability and is adjusted annually for inflation.

How can nonprofits & government take the credit

Direct pay is one of the most important provisions of the new Inflation Reduction Act, which was passed in August of 2022 and has now come into full effect here in 2023. Essentially what it means is that tax exempt organizations are now eligible for the Investment Tax Credit.

This process allows entities exempt from income tax—such as nonprofits, state, local, and tribal governments, publicly owned utilities, and rural electric cooperatives—to claim the equivalent amount of tax credit in the form of a direct payment from the IRS. This enables tax-exempt entities to take advantage of clean energy tax credits for the first time.

Let's get started

Wipfli offers a complimentary preliminary analysis to determine whether your building qualifies for these programs.

Contact us to get started.

WIPFLI

Secure your tax savings with our turnkey service

Wipfli's Construction and Real Estate team specializes in engineering-based energy efficiency tax studies. We are qualified to conduct the IRS-mandated independent tax study of your building or sub-systems. And we provide the required certification and IRS documentation you need.

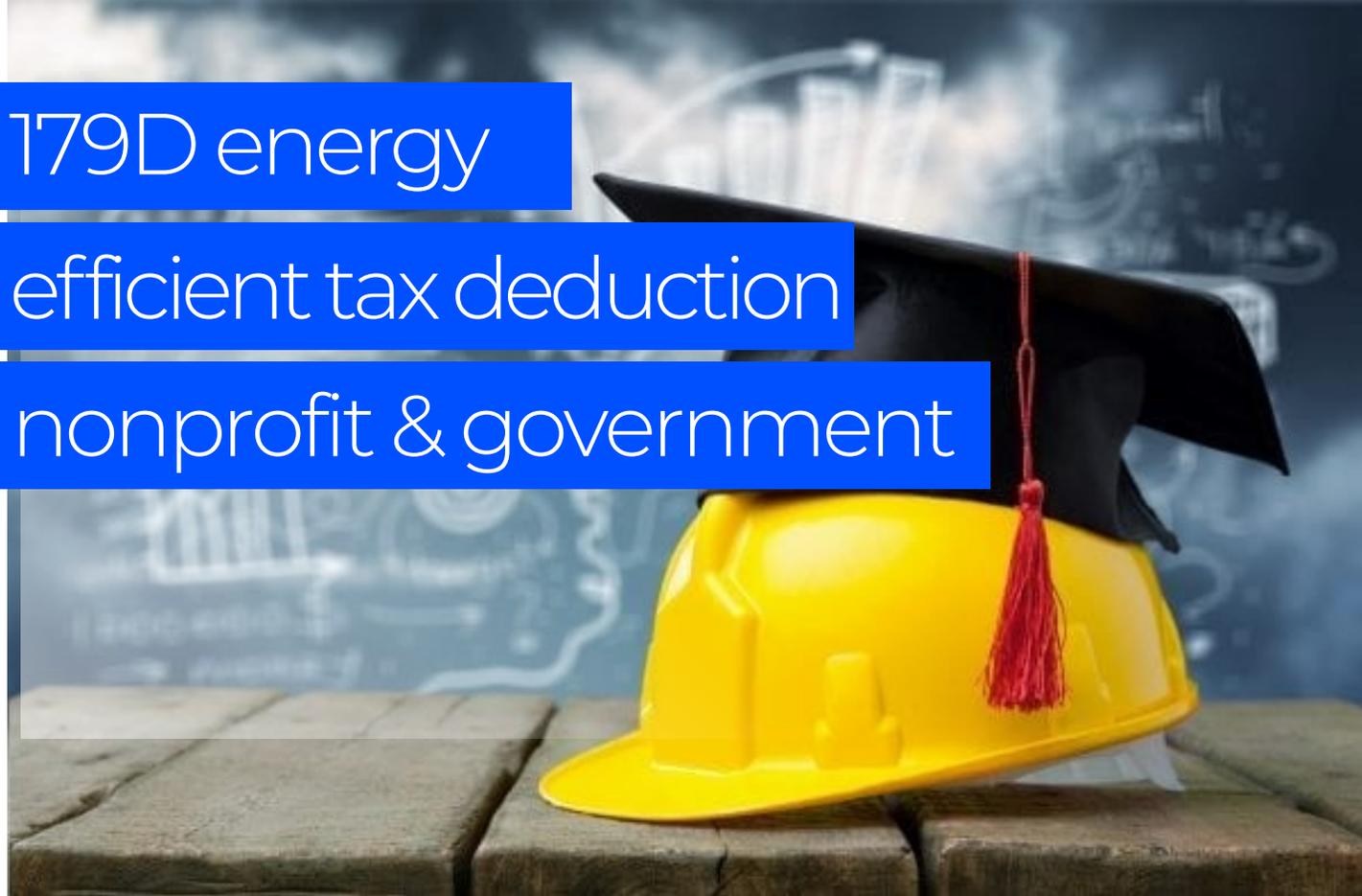
Do you qualify for the energy efficient tax credits? We've put together all the details below:

Summary of Investment Tax Credit and Production Tax Credit Value Over Time

			Start of Construction						
			2006 to 2019	2020 to 2021	2022	2023 to 2033	The later of 2034 (or two years after applicable year ^a)	The later of 2035 (or three years after applicable year ^a)	The later of 2036 (or four years after applicable year ^a)
ITC	Full rate (if project meets labor requirements ^b)	Base Credit	30%	26%	30%	30%	22.5%	15%	0%
		Domestic Content Bonus				10%	7.5%	5%	0%
		Energy Community Bonus				10%	7.5%	5%	0%
	Base rate (if project does not meet labor requirements ^b)	Base Credit	30%	26%	6%	6%	4.5%	3%	0%
		Domestic Content Bonus				2%	1.5%	1%	0%
		Energy Community Bonus				2%	1.5%	1%	0%
	Low-income bonus (1.8 GW/yr cap)	<5 MW projects in LMI communities or Indian land				10%	10%	10%	10%
		Qualified low-income residential building project / Qualified low-income economic benefit project				20%	20%	20%	20%
	PTC for 10 years (\$2022)	Full rate (if project meets labor requirements ^b)	Base Credit			2.75 ¢	2.75 ¢	2.0 ¢	1.3 ¢
Domestic Content Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Energy Community Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Base rate (if project does not meet labor requirements ^b)		Base Credit			0.55 ¢	0.55 ¢	0.4 ¢	0.3 ¢	0.0 ¢
		Domestic Content Bonus				0.1 ¢	0.0 ¢	0.0 ¢	0.0 ¢
		Energy Community Bonus				0.1 ¢	0.0 ¢	0.1 ¢	0.0 ¢

^a “Applicable year” is defined as the later of (i) 2032 or (ii) the year the Treasury Secretary determines that there has been a 75% or more reduction in annual greenhouse gas emissions from the production of electricity in the United States as compared to the calendar year 2022.

^b “Labor requirements” entail certain prevailing wage and apprenticeship conditions being met.



179D energy

efficient tax deduction

nonprofit & government

Don't miss this savings opportunity

Under the Energy Policy Act of 2005, you may qualify for the 179D energy efficient tax deduction on construction or capital improvement costs designed to increase a building's energy efficiency.

You, as an owner, can benefit from this new tax deduction policy that was just revised for government and not-for-profits this year. As the owner, you must sign off on your vendor's request for this certification. As the owner, you are in a position of leverage to negotiate some gain sharing between you and the vendors building and improving your property. Wipfli can help you quantify what the tax deduction amount would be for your vendors, and you can use that as leverage to get a variety of benefits. Some of the benefits we have seen so far include:

- Reduction in project fees from your vendors.
- Credit for future work from your vendors.
- Charitable donation made from your vendor to your foundation .

As a property owner, you must take specific steps to both qualify and certify your eligibility for the deduction. Clients turn to Wipfli because our professionals have the knowledge and experience to navigate these special financial incentives. Our team brings over 80 years of combined experience, with skills in engineering, construction and tax.

Let's get started

Wipfli offers a complimentary preliminary analysis to determine whether your building qualifies for the section 179D tax deduction. Contact us to get started.

wipfli.com/section179D

WIPFLI

Secure your tax savings with our turnkey service

Wipfli's Construction and Real Estate team specializes in engineering-based energy efficiency tax certifications. We are qualified to conduct the IRS-mandated independent tax study of your building or sub-systems. And we provide the required certification and IRS documentation you need.

Do you qualify for the 179D energy efficient tax deduction? We've put together all the details below:

Government-owned and tax-exempt building owners

Who benefits?	Primary designer: architect, engineer or contractor
Energy-efficient Requirements	Baseline standard: ASHRAE 90.1-2007 after 12/31/2014 and before 1/1/2027
Construction types	Retrofit/remodel/new construction
Deduction amount	50 cents-\$5.00 per square foot (\$50,000 - \$500,000 per 100,000 square feet)
Deduction cap	Can be claimed on buildings if the previous full deduction claim occur more than four taxable year earlier
Square footage	No minimum
Tax deduction range	Base deduction: sliding scale of 50 cents per square foot for energy savings of 25% and up to \$1 per square foot for energy savings of 50% or greater. Bonus deduction: sliding scale of \$2.50 per square foot for energy savings of 25% and up to \$5 per square foot for energy savings of 50% or greater, also meeting local prevailing wage and apprenticeship requirements.

Use our qualified, experienced team to maximize your savings.

Section 179D

certification

example



K-12 Public School HVAC Renovation and Upgrades Lincolnshire, Illinois

Property Type: Public High School

Project Address: 100 Tr-State Dr

Total Square Feet: 105,300

Land Area (By Acres): 6.5

In-Service Date: 2023

Total Project Cost: \$7,950,000

Federal Tax Rate 37.00%

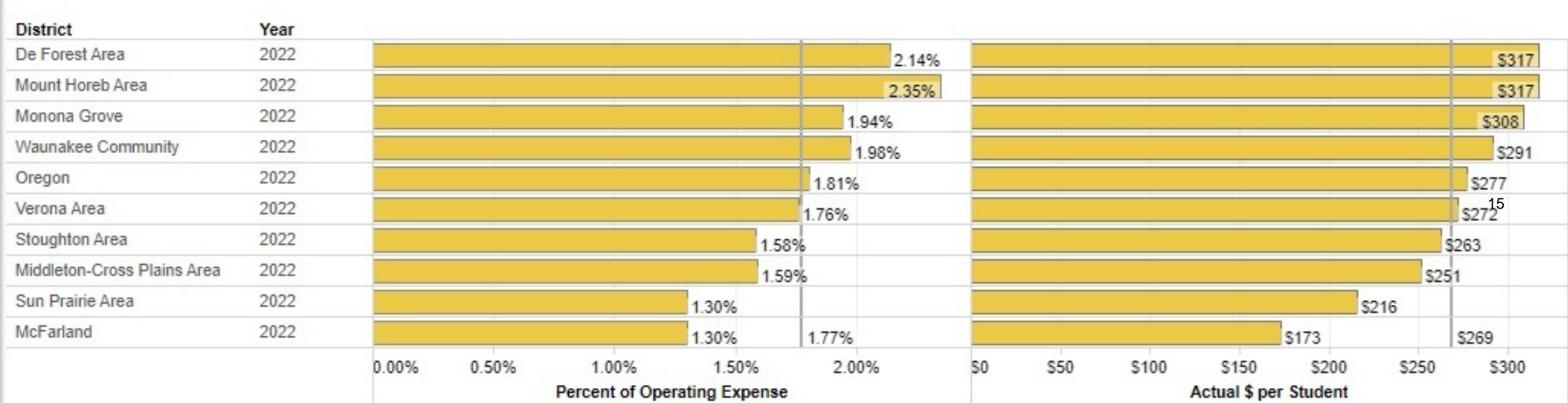
State Tax Rate 4.95%

Energy Tax Deduction: \$519,176

Estimated Net-Present Value After Tax: \$218,054

Prepared by:
Wipfli LLP

WIPFLI





14 Marsh Court • Madison, WI 53718-8805 • Phone (608)-222-0105
P.O. Box 7428 • Madison, WI 53707-7428 • Fax (608)-222-0230

November 20, 2023

Steve Summers
Waunakee School District
905 Bethel Cir.
Waunakee Wi.

High School LED upgrades and Lighting Control additions

Westphal & Company, Inc. would like to present a Quote for the project referenced above:

Quote: \$789,175.00

Focus on Energy estimated rebate \$27,122.00.

Total Project Budget \$762,053.00

Included in this quote is supply and installation of LED flat panel fixtures to replace existing fluorescent fixtures per the same layout, recessed lighting will be upgraded to new recessed LED fixtures, mechanical room lighting will be upgraded to new LED fixtures to match. Lighting controls to be added in corridors to include occupancy sensor's to automatically turn the lights off during unoccupied times, classrooms will have occupancy sensors installed to automatically control the lights when unoccupied and (2) new switches with the capability to manually dim all fixtures in the classrooms. Classrooms with more than (2) switching zones will be combined to 2 zones. Small rooms, mechanical spaces and office spaces will have occupancy switches installed for automatic control. All unswitched emergency fixtures or night lights will be controlled from local occupancy sensors or light switches and have an emergency transfer device added so they will automatically be on during a power outage.

- Demo existing fixtures and dispose in owner provided dumpsters
- Install new LED fixtures, secure fixtures to ceiling grid in corridors and classrooms.
- Office area, upgrade existing fixtures to LED lamps (maintain specialty fixtures), install new occupancy sensors and EM lighting controls
- Install new nLight lighting control devices and dimming cables, set up lighting control devices off time and sensitivity per owners request
- Install new or extend existing lighting branch circuits as needed for new fixture installation

Areas not included:

- PAC, theatrical lighting system to remain the same
- Existing corridors with previous LED upgrades, sensors will be added in these areas only
- Pool, previous LED upgrade and controls to remain the same
- Fieldhouse, previous LED upgrade and controls to remain the same
- LMC, previous LED upgrade, controls will be upgraded with occupancy sensors

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

- Aux Gym, previous LED upgrade and controls to remain the same
- Commons area/Lunchroom, previous LED upgrade and controls to remain the same

General notes:

1. Excludes
 - a. Any contingency
 - b. Any Lift rental
 - c. Any lamp recycling or disposal
 - d. Any dumpster rental or fees
2. All work to be performed during normal Westphal & Co. working hours
3. Any unforeseen or additional work outside of our interpretation of scope may increase price

These quotations are based on current commodity pricing for the electrical materials used in our scope and are valid for (30) days. Westphal & Company, Inc. reserves the right to modify these quotations if there is a significant scope or commodity pricing increase or decrease prior to entering any contractual agreements. Also, any deviations from scope, changes to schedule, or changes in locations may reflect a change in pricing. Please let me know if you have any questions or need additional information.

Nate Frisch

Nate Frisch
Project Manager
608-512-9806
Nfrisch@westphalec.com



14 Marsh Court • Madison, WI 53718-8805 • Phone (608)-222-0105
P.O. Box 7428 • Madison, WI 53707-7428 • Fax (608)-222-0230

November 6, 2023

Steve Summers
Waunakee School District
905 Bethel Cir.
Waunakee Wi.

Prairie LED upgrades and Lighting Control additions

Westphal & Company, Inc. would like to present a Quote for the project referenced above:

Option 1

LED upgrades and lighting controls upgrades

Quote: \$339,330.00

Focus on Energy estimated rebate \$7,883.00

Total Project Budget \$331,447.00

Included in this quote is supply and installation of LED flat panel fixtures to replace existing fluorescent fixtures per the same layout, recessed lighting will be upgraded to new recessed LED fixtures, mechanical room lighting will be upgraded to new LED fixtures to match. Lighting controls to be added in corridors to include occupancy sensor's to automatically turn the lights off during unoccupied times, classrooms will have occupancy sensors installed to automatically control the lights when unoccupied and new switches with the capability to manually dim all fixtures in the classrooms. Small rooms, mechanical spaces and office spaces will have occupancy switches installed for automatic control.

- Demo existing fixtures and dispose in owner provided dumpsters
- Install new fixtures, secure fixtures to ceiling grid
- Install new nLight lighting control devices and dimming cables, set up lighting control devices off time and sensitivity per owners request
- Install new or extend existing lighting branch circuits as needed for new fixture installation

Option 2

LED upgrades only, utilize existing lighting controls

Quote: \$192,305

Focus on Energy estimated rebate \$6,363.00

Total Project Budget \$185,942.00

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

Included in this quote is supply and installation of LED flat panel fixtures to replace existing fluorescent fixtures per the same layout, recessed lighting will be upgraded to new recessed LED fixtures, mechanical room lighting will be upgraded to new LED fixtures to match. Lighting controls to remain the same.

- Demo existing fixtures and dispose in owner provided dumpsters
- Install new fixtures, secure fixtures to ceiling grid
- Install new nLight lighting control devices and dimming cables, set up lighting control devices off time and sensitivity per owners request
- Install new or extend existing lighting branch circuits as needed for new fixture installation

General notes:

1. Excludes
 - a. Any contingency
 - b. Any Lift rental
 - c. Any lamp recycling or disposal
 - d. Any dumpster rental or fees
2. All work to be performed during normal Westphal & Co. working hours
3. Any unforeseen or additional work outside of our interpretation of scope may increase price

These quotations are based on current commodity pricing for the electrical materials used in our scope and are valid for (30) days. Westphal & Company, Inc. reserves the right to modify these quotations if there is a significant scope or commodity pricing increase or decrease prior to entering any contractual agreements. Also, any deviations from scope, changes to schedule, or changes in locations may reflect a change in pricing. Please let me know if you have any questions or need additional information.

Nate Frisch

Nate Frisch
Project Manager
608-512-9806
Nfrisch@westphalec.com

2023-24 Budget Status Report - October 31, 2023

CALCULATION OF BUILDING/DEPARTMENT BUDGET BALANCES									
Building/Department	22-23 Carryover	23-24 Revenue Budget	23-24 Rec'd	23-24 Revenue Balance	23-24 Expense Budget	23-24 Spent / Encumbered	23-24 Expense Balance	23-24 Balance	Funds Available²⁰
Prairie School	26,488.02	3,400.00	1,995.31	1,404.69	88,280	53,988.31	34,291.69	32,887.00	59,375.02
Heritage School	11,499.60	5,100.00	4,175.00	925.00	97,160	58,608.10	38,551.90	37,626.90	49,126.50
Arboretum School	17,352.92	8,200.00	3,678.95	4,521.05	76,520	49,535.17	26,984.83	22,463.78	39,816.70
Intermediate School	72,069.15	37,900.00	6,838.00	31,062.00	150,350	62,844.24	87,505.76	56,443.76	128,512.91
Middle School	73,163.59	21,400.00	12,961.87	8,438.13	163,150	65,643.00	97,507.00	89,068.87	162,232.46
High School	71,516.17	184,525.00	161,789.76	22,735.24	575,155	227,573.98	347,581.02	324,845.78	396,361.95
Athletic Dept	22,147.52	30,000.00	750.00	29,250.00	392,477	233,210.58	159,266.42	130,016.42	152,163.94
Curriculum-Elementary (Oper)	244,354.01	0.00	0.00	0.00	455,382	399,737.16	55,644.84	55,644.84	299,998.85
Curriculum-Secondary	100,064.62	13,271.00	10,372.99	2,898.01	527,300	333,446.76	193,853.24	190,955.23	291,019.85
CTE Grant	109,962.58	73,654.00	0.00	73,654.00	73,654	13,818.54	59,835.46	-13,818.54	96,144.04
Energy Conservation	6,368.82	0.00	0.00	0.00	0	0.00	0.00	0.00	6,368.82
Human Resources	(2,075.22)	0.00	0.00	0.00	54,550	22,693.44	31,856.56	31,856.56	29,781.34
Maintenance	157,680.46	5,000.00	397.85	4,602.15	721,990	709,931.77	12,058.23	7,456.08	165,136.54
Special Education-Operations	32,974.16	0.00	0.00	0.00	28,839	11,687.75	17,151.25	17,151.25	50,125.41
Student Services-Operations	95,290.71	0.00	0.00	0.00	71,250	28,158.37	43,091.63	43,091.63	138,382.34
Superintendent	18,795.80	0.00	0.00	0.00	84,600	94,050.92	-9,450.92	-9,450.92	9,344.88
Technology	227,596.72	34,600.00	42,856.14	-8,256.14	749,929	900,521.63	-150,592.63	-142,336.49	85,260.23
	1,285,249.63							862,967.70	2,148,217.33

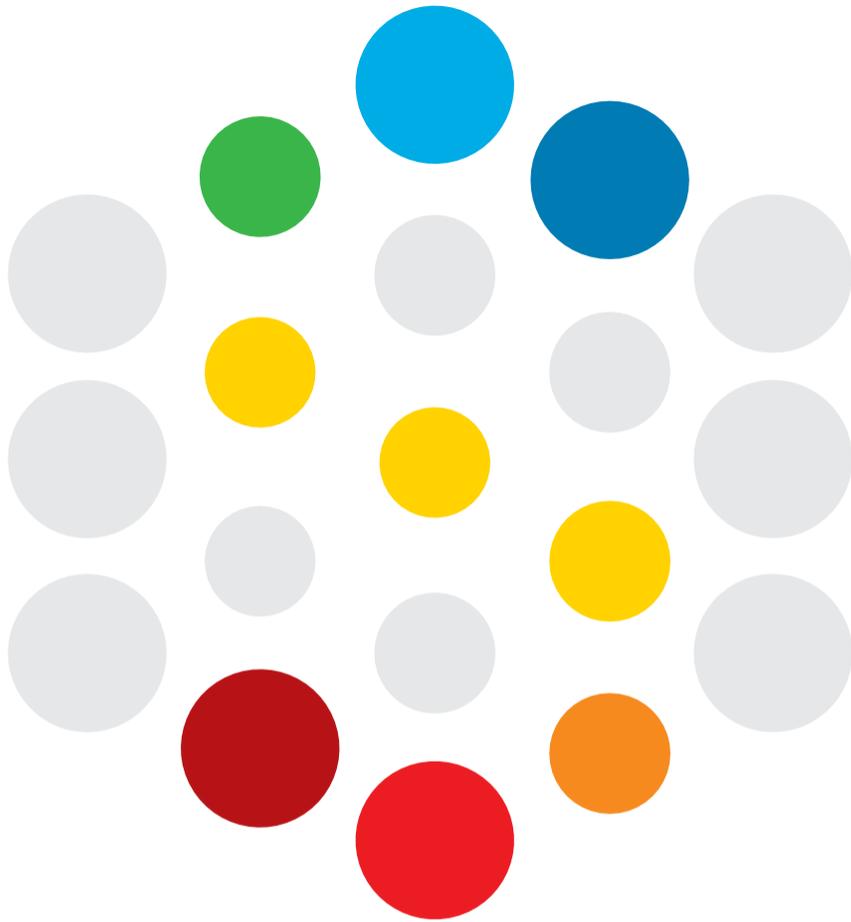


Waunakee Community School District
 905 Bethel Circle
 Waunakee WI

Future Pricing	Per Therm
Jan 24-Mar 24	\$0.375
Jan 24-Jun 24	\$0.362
Jan 24-Oct 24	\$0.420

Historical Pricing	Per Therm
2021	\$0.663
2022	\$0.648

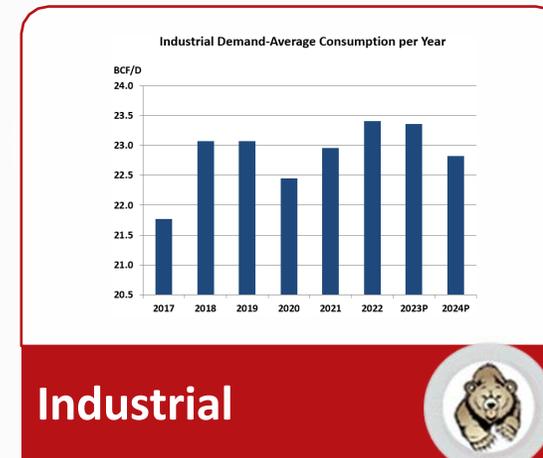
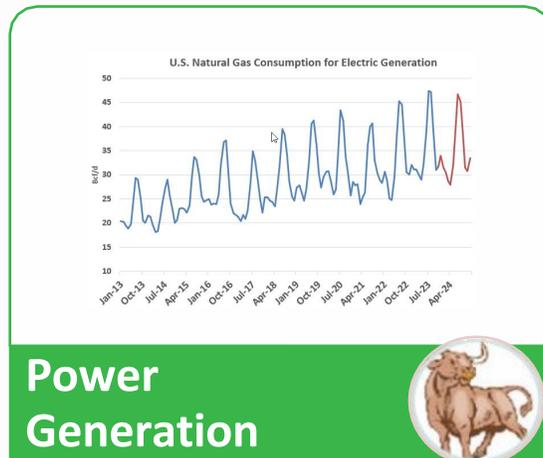
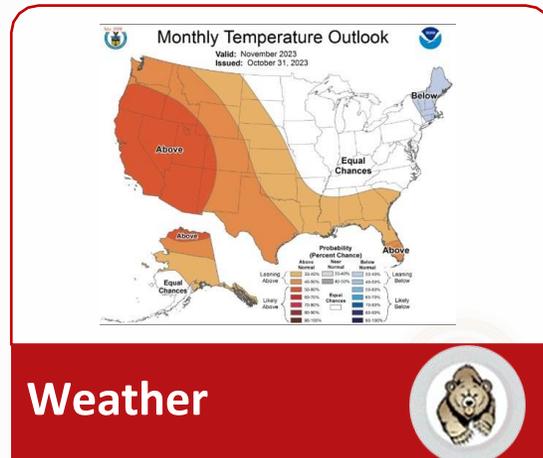
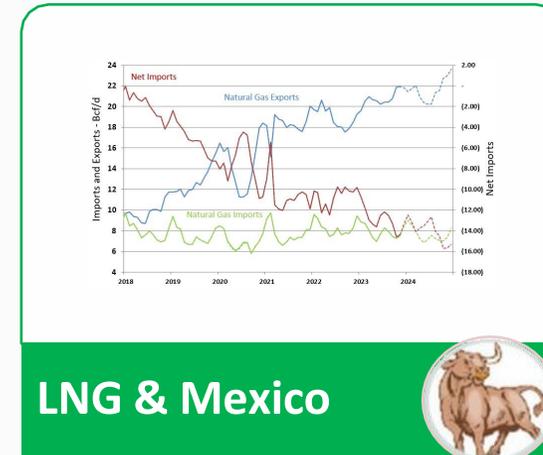
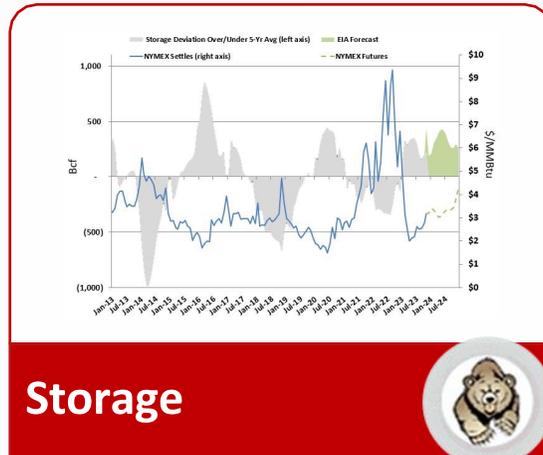
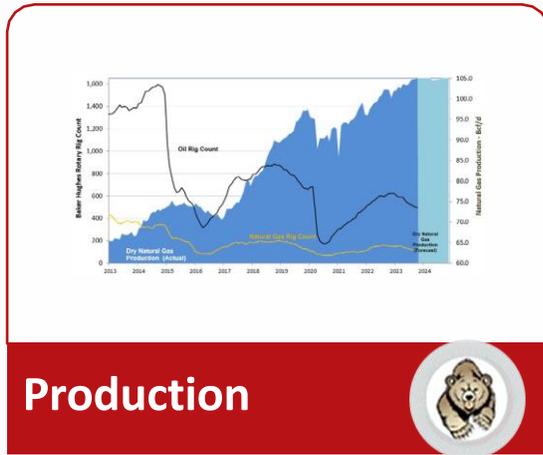
Month	2021		2022		2023	
	Therms	Price	Therms	Price	Therms	Price
Jan	48,661	\$0.308	43,377	\$0.588	50,238	\$0.735
Feb	51,762	\$0.300	66,658	\$0.538	43,798	\$0.530
Mar	59,419	\$1.896	51,616	\$0.690	41,092	\$0.336
Apr	33,529	\$0.367	41,777	\$0.504	26,397	\$0.266
May	23,571	\$0.309	31,007	\$0.620	18,670	\$0.248
Jun	16,229	\$0.352	19,105	\$0.742	16,160	\$0.257
July	12,219	\$0.369	15,981	\$0.961	17,913	\$0.292
Aug	14,153	\$0.408	15,177	\$0.677	20,247	\$0.297
Sep	17,208	\$0.444	17,185	\$0.896	16,903	\$0.280
Oct	15,003	\$0.491	18,445	\$0.928	25,046	\$0.288
Nov	20,694	\$0.628	25,056	\$0.619	0	\$0.000
Dec	35,312	\$0.674	34,593	\$0.612	0	\$0.000
Total	347,759	\$0.663	379,976	\$0.648	276,464	\$0.421



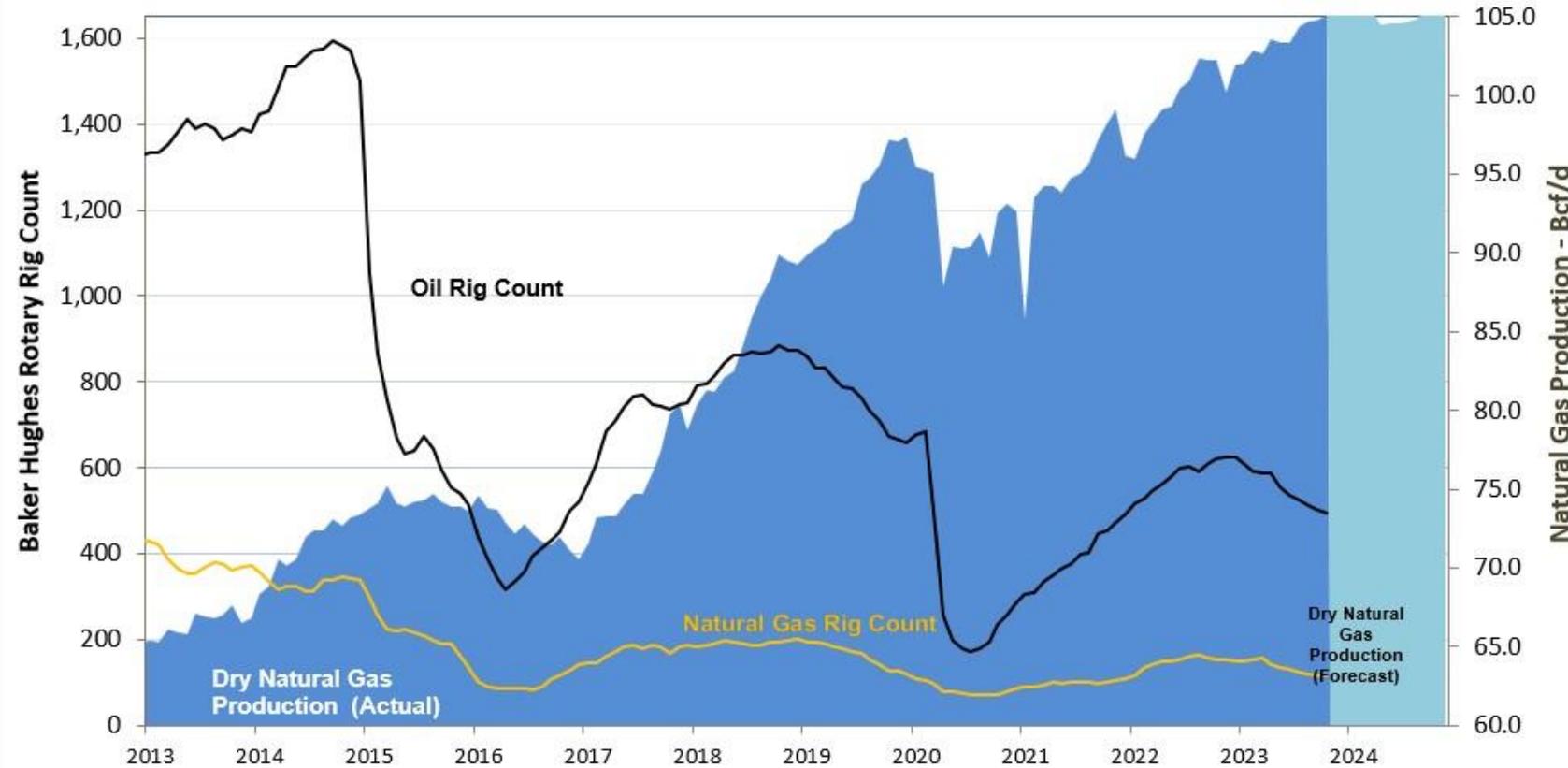
Market Intelligence Report

November 2023

US NATURAL GAS BULL & BEAR SUMMARY



NATURAL GAS PRODUCTION AND RIG COUNTS

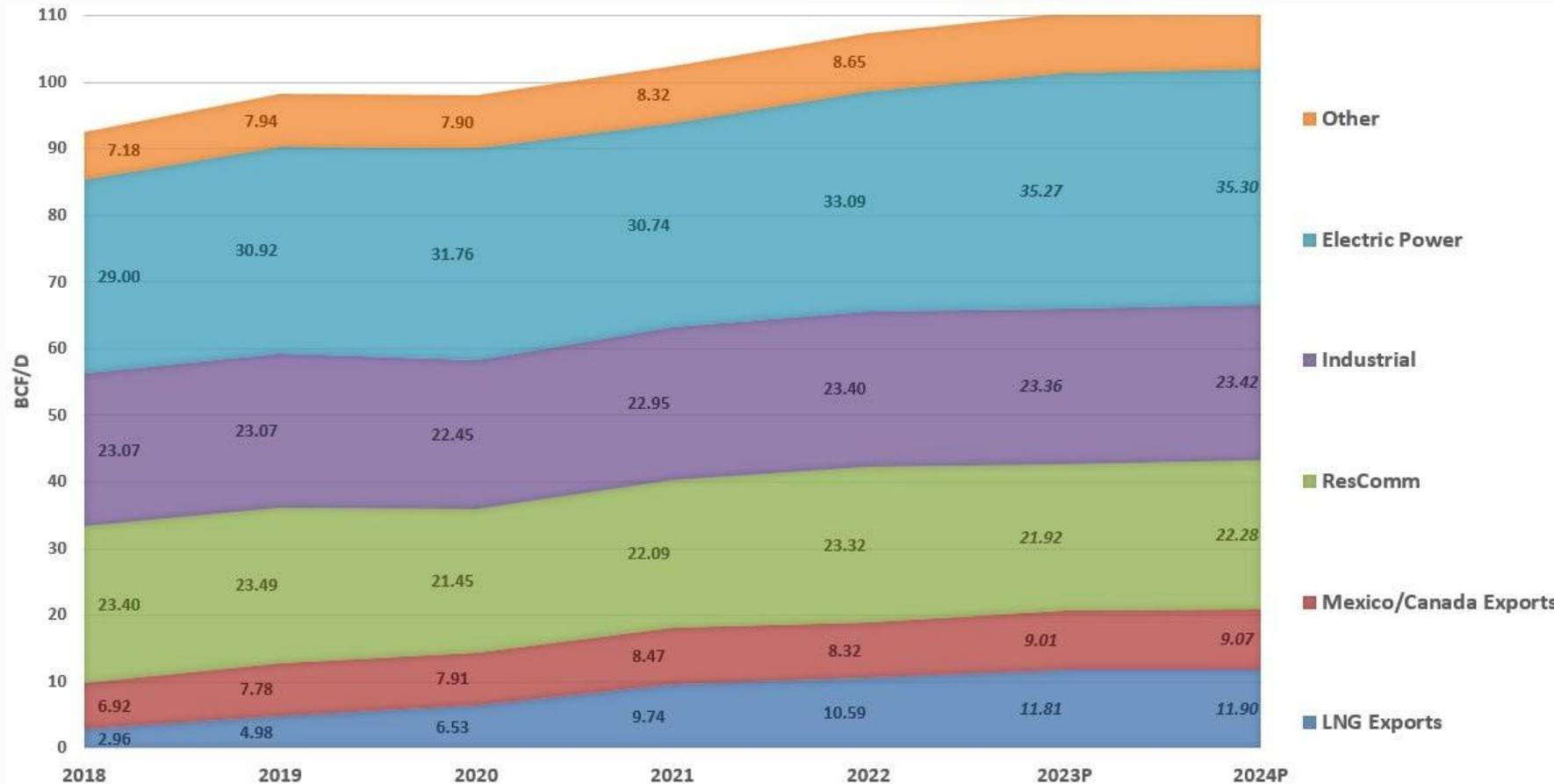


24

- Combined oil and natural gas rig counts have recovered to pre-pandemic levels, but oil rigs as a percentage of the total have fallen by nearly 6% relative to 2Q20
- Production set multiple new highs in 2023, and the forecast looks to continue at these high levels before plateauing in 3Q23
- More resilient oil prices, relative to natural gas, have bolstered the strong outlook for associated gas production in the Permian basin

Data Sources: U.S. Energy Information Administration (STEO)

ANNUAL NATURAL GAS DEMAND INCLUDING EXPORTS

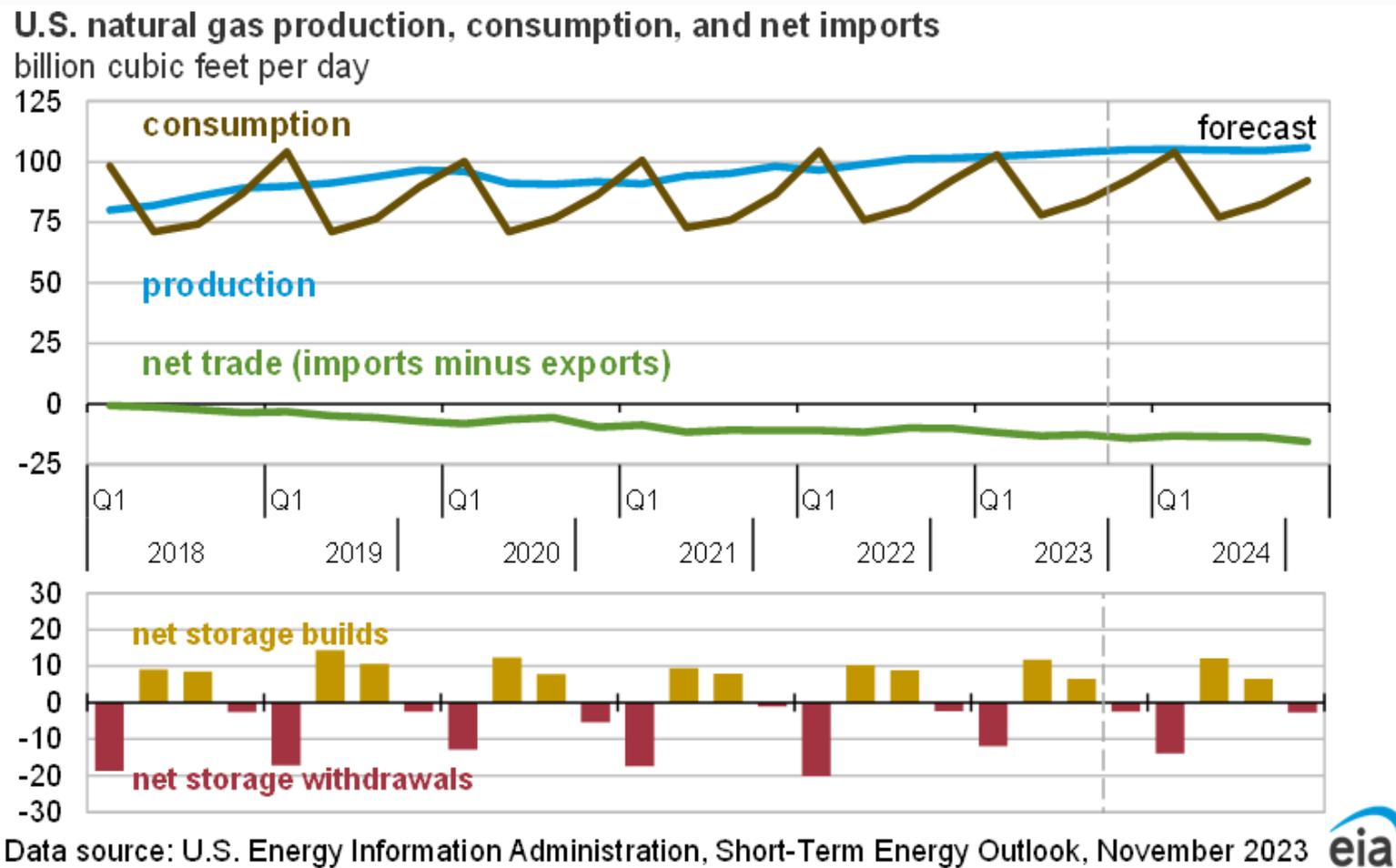


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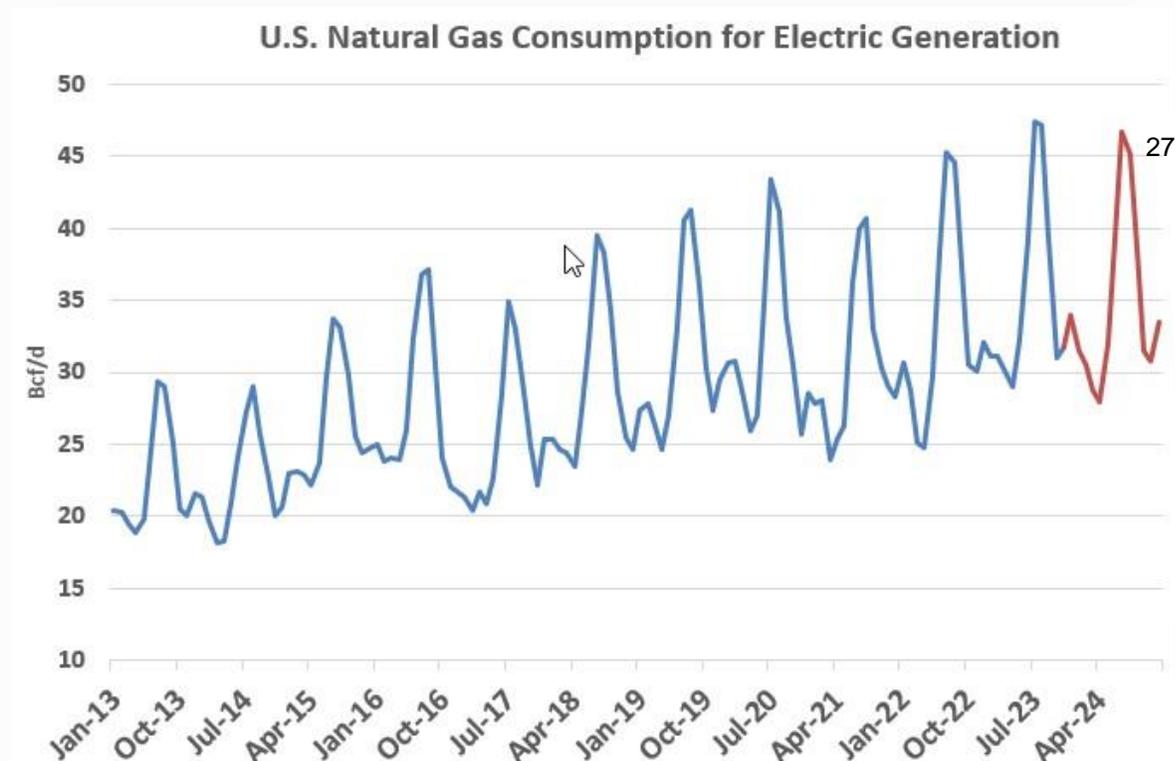
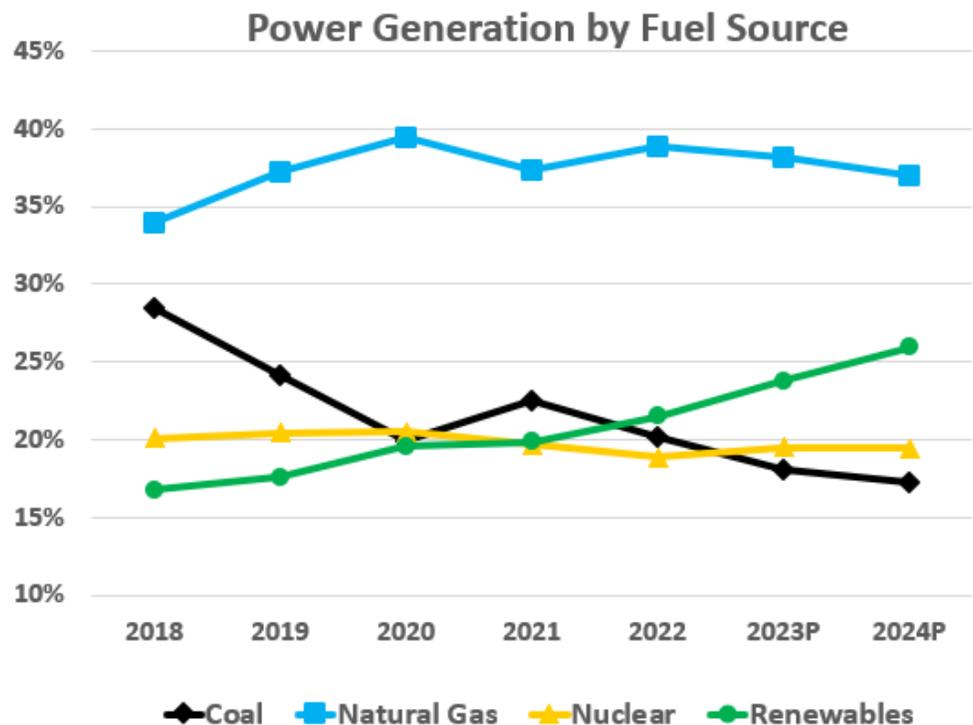
➤ The EIA revised its summer'23 power demand forecast upward, putting their outlook on par with 2022's record burns. Lower gas prices have triggered some coal to gas switching this spring and that trend is expected to continue until peak generation demand hits in Q3

Data Sources: U.S. Energy Information Administration (STEO)

U.S. NATURAL GAS PRODUCTION, CONSUMPTION, NET IMPORTS



ELECTRICITY GENERATION

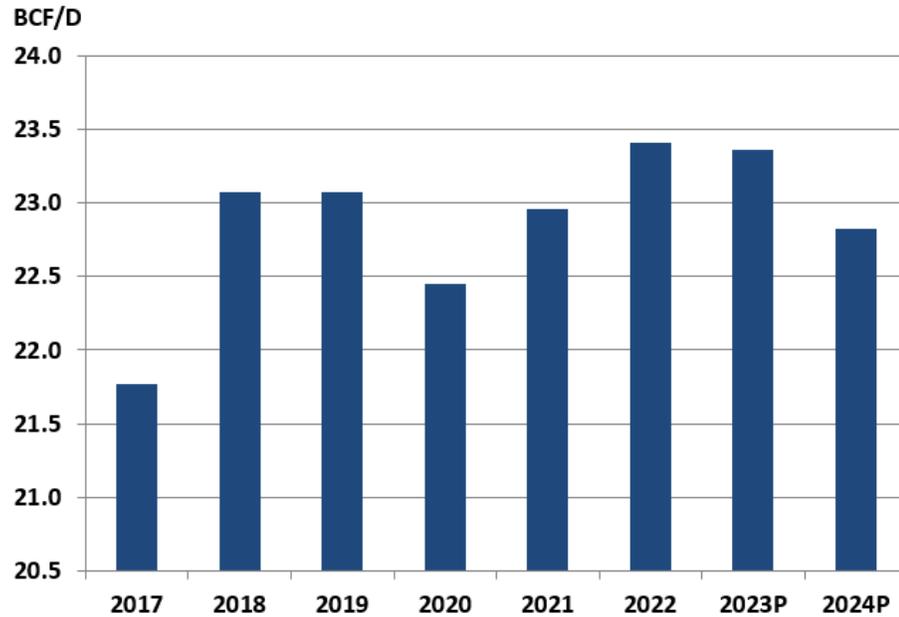


- Following record gas-fired powerburn in 2022, overall consumption is expected to fall by about 0.75 Bcf/day in 3Q23, but the fuel's share of the generation mix is expected to remain steady as a material number of coal plants are expected to retire in the next 24 months.
- Utility scale renewable installations are slated for a big jump—likely reviving the baseload/swing volatility that characterized the migration from coal to gas power early last decade

Data Sources: U.S. Energy Information Administration (STEO)

DEMAND FORECASTS-INDUSTRIAL

Industrial Demand-Average Consumption per Year



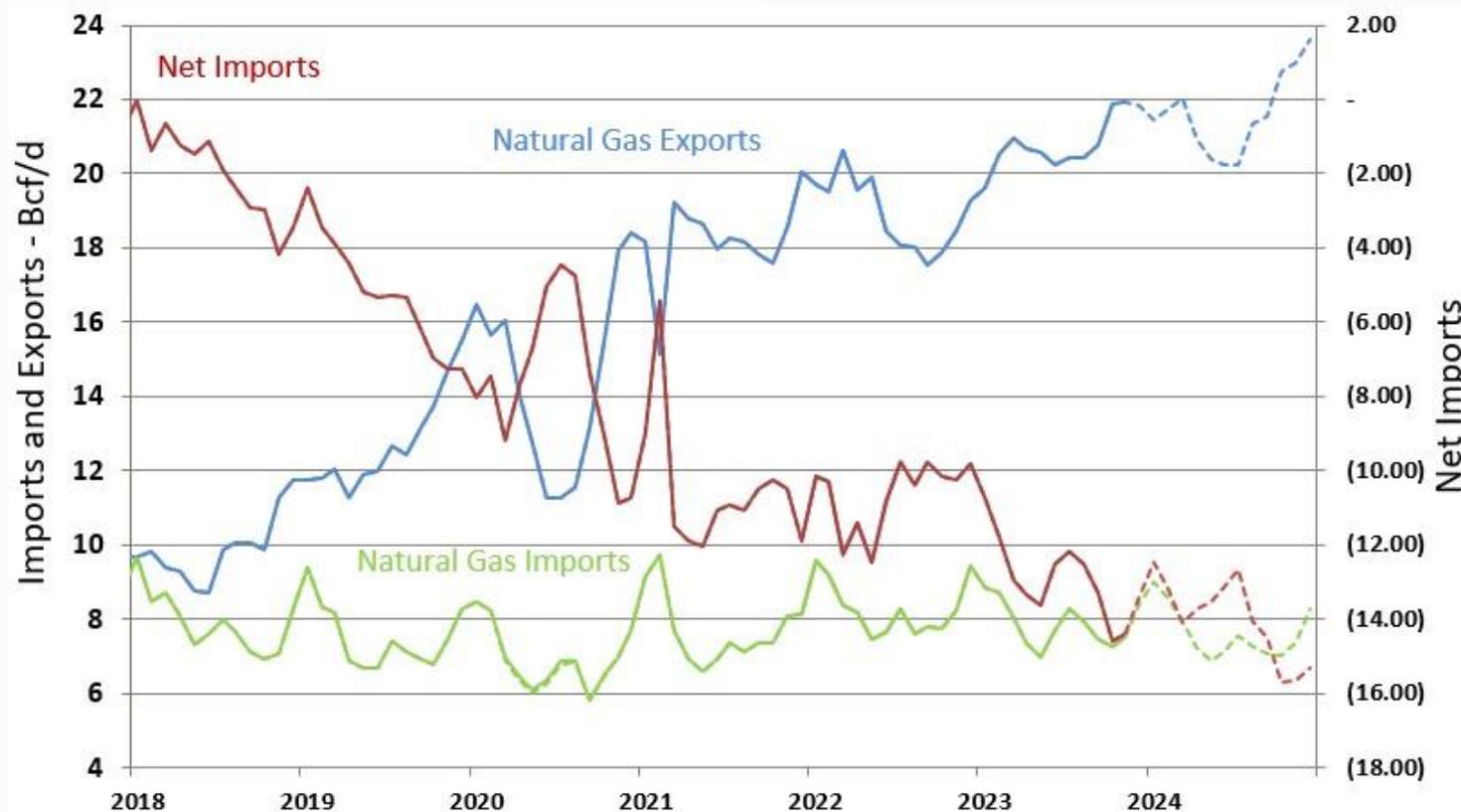
Texas Manufacturing Outlook Survey Production Index



- Industrial demand hit new record levels in 2022 but the EIA industrial demand forecast has slid downward in recent months due to weakening macroeconomic conditions. June continued the downward trend in the Dallas Fed’s manufacturing index from 2021.

Data Sources: U.S. Energy Information Administration (EIA), FEDERAL RESERVE BANK OF DALLAS

EXPORTS AND IMPORTS FORECAST

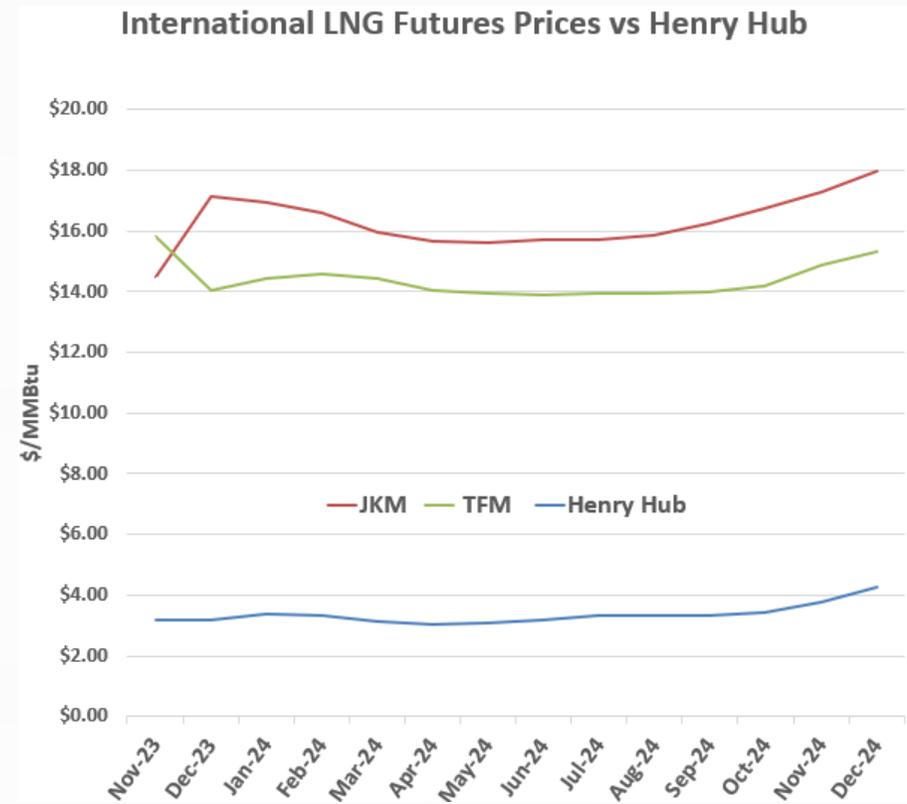
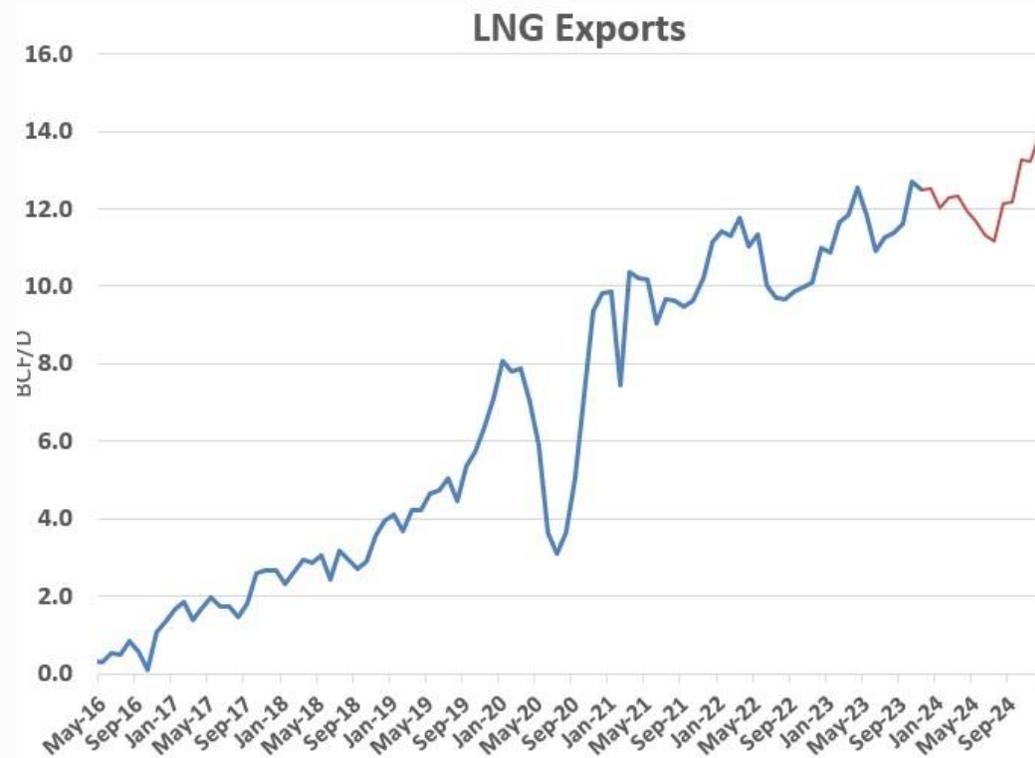


29

- Natural gas exports have continued their upward trajectory, led by LNG exports and pipeline exports to Mexico as power generation demand continues to grow south of the border.
- Canadian imports jumped for the first half of 2023 despite tariff changes that negatively impacted the transport economics from Alberta to the Upper Midwest.

Data Sources: U.S. Energy Information Administration (STEO)

LNG EXPORTS

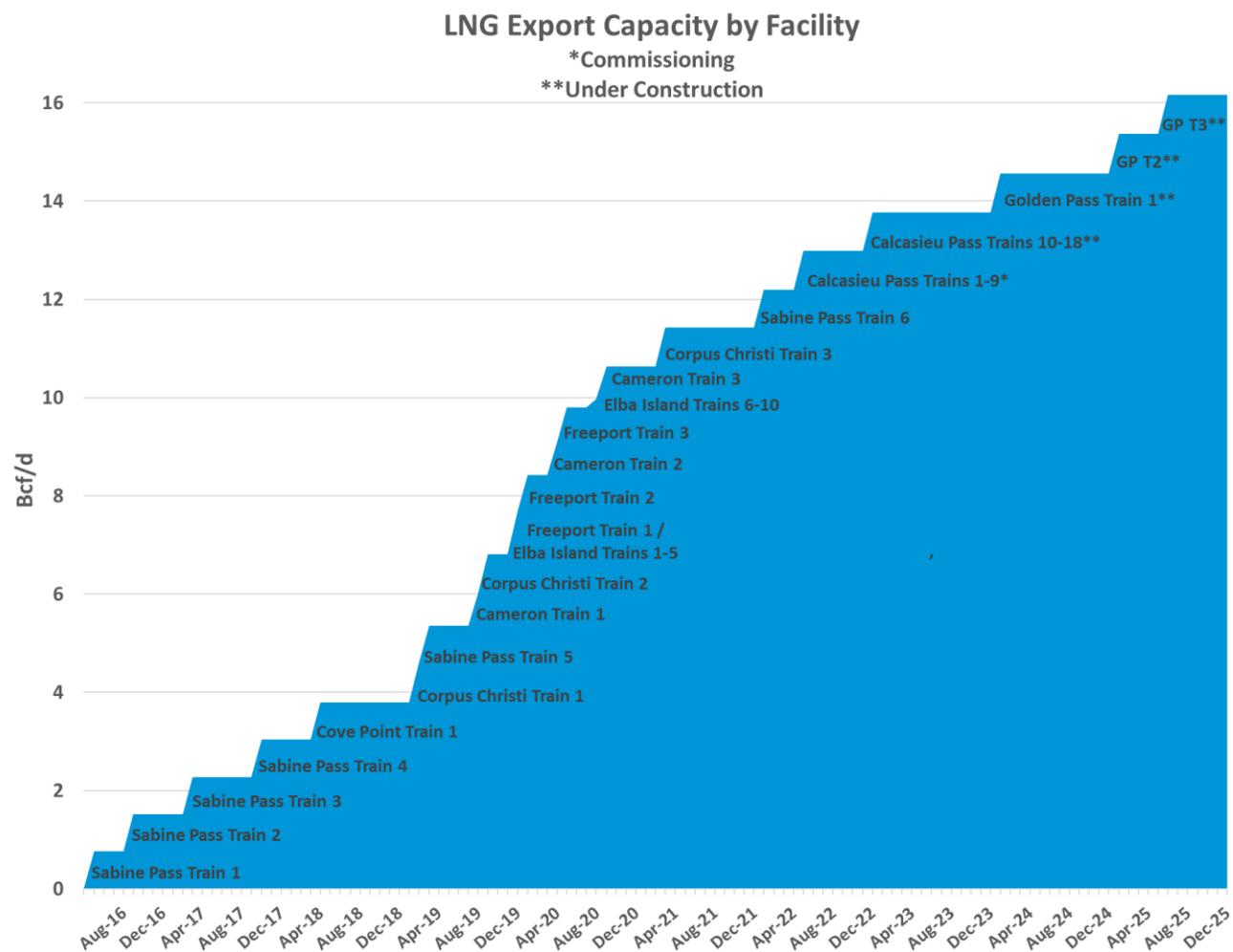


30

- LNG exports continued their impressive climb from the depths of the 2020 global demand slowdown but ran into headwinds during Summer 2022. A June explosion at Freeport LNG took 2 Bcf/day of liquefaction capacity offline. The facility has restarted yet has run at a limited capacity outside of a few individual days of reaching full operational capacity.
- Current economics indicate full utilization of export capacity for the foreseeable future, but difficult financing conditions are impacting the value chain.

Data Sources: <https://www.energy.gov/fe/listings/lng-reports>, CME

LNG PROJECTS

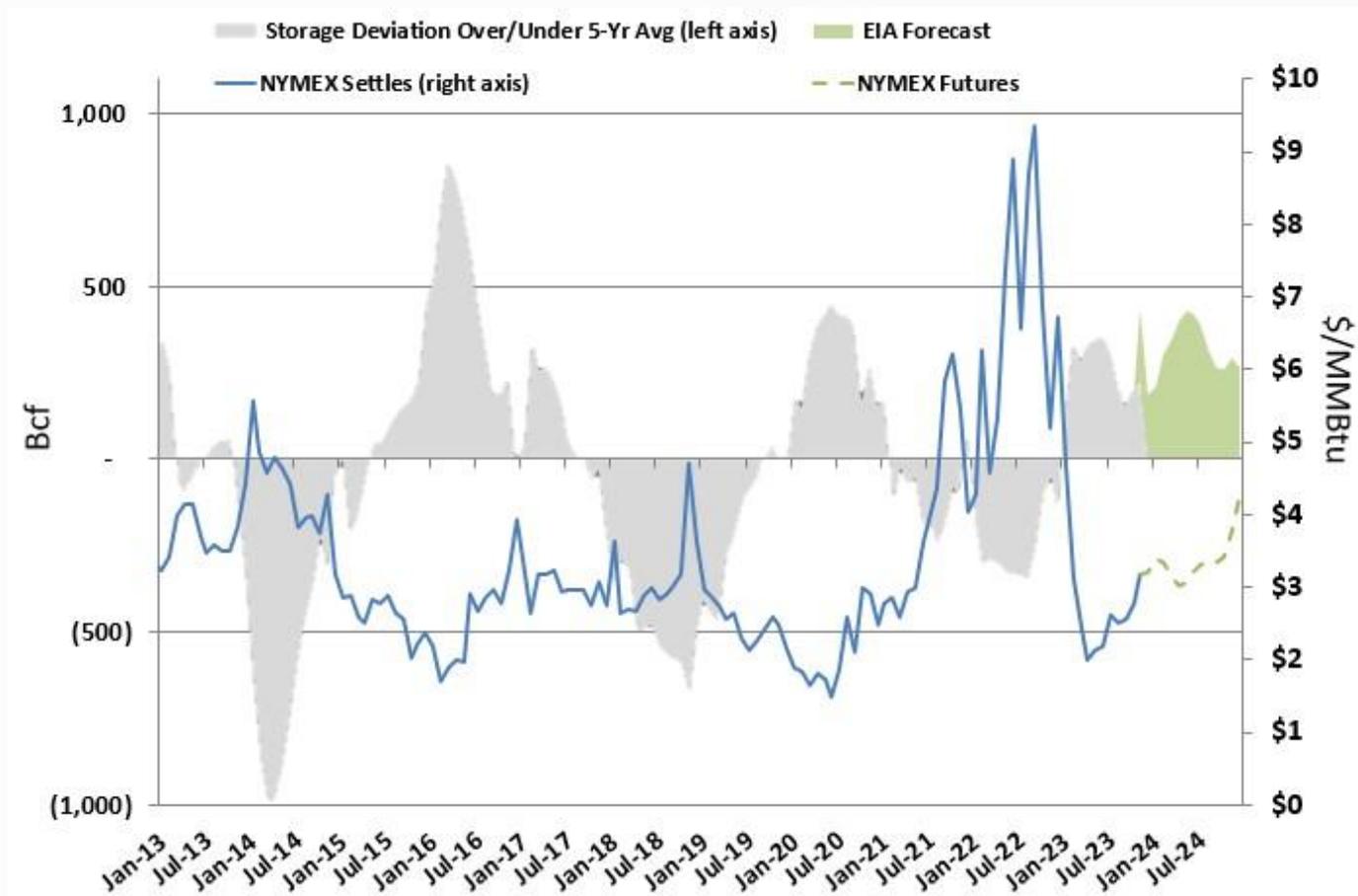


U.S. large scale approved liquefaction facilities not under construction¹

Project name	Number of trains	Proposed design capacity	Location (state)
		Bcf/d	
			31
Magnolia LNG	n/a	1.2	LA
Lake Charles LNG	3	2.2	LA
Delfin FLNG	4	1.6	Offshore/Floating (GOM)
Driftwood LNG	5	3.64	LA
Port Arthur LNG	2	1.8	TX
Freeport LNG Train 4	1	0.74	TX
Gulf LNG	2	1.5	MS
Plaquemines LNG (Phase 1)	18	1.3	LA
Plaquemines LNG (Phase 2)	18	1.3	LA
Texas LNG	2	0.56	TX
Rio Grande LNG	6	3.56	TX
Corpus Christi Liquefaction Stage III	7	1.5	TX
Alaska LNG	3	2.55	AK
Cameron LNG Trains 4 and 5	2	1.4	LA

Data Sources: <https://www.eia.gov/naturalgas/data.php#imports>

NATURAL GAS STORAGE SURPLUSES AND DEFICITS RELATIONSHIP TO PRICE

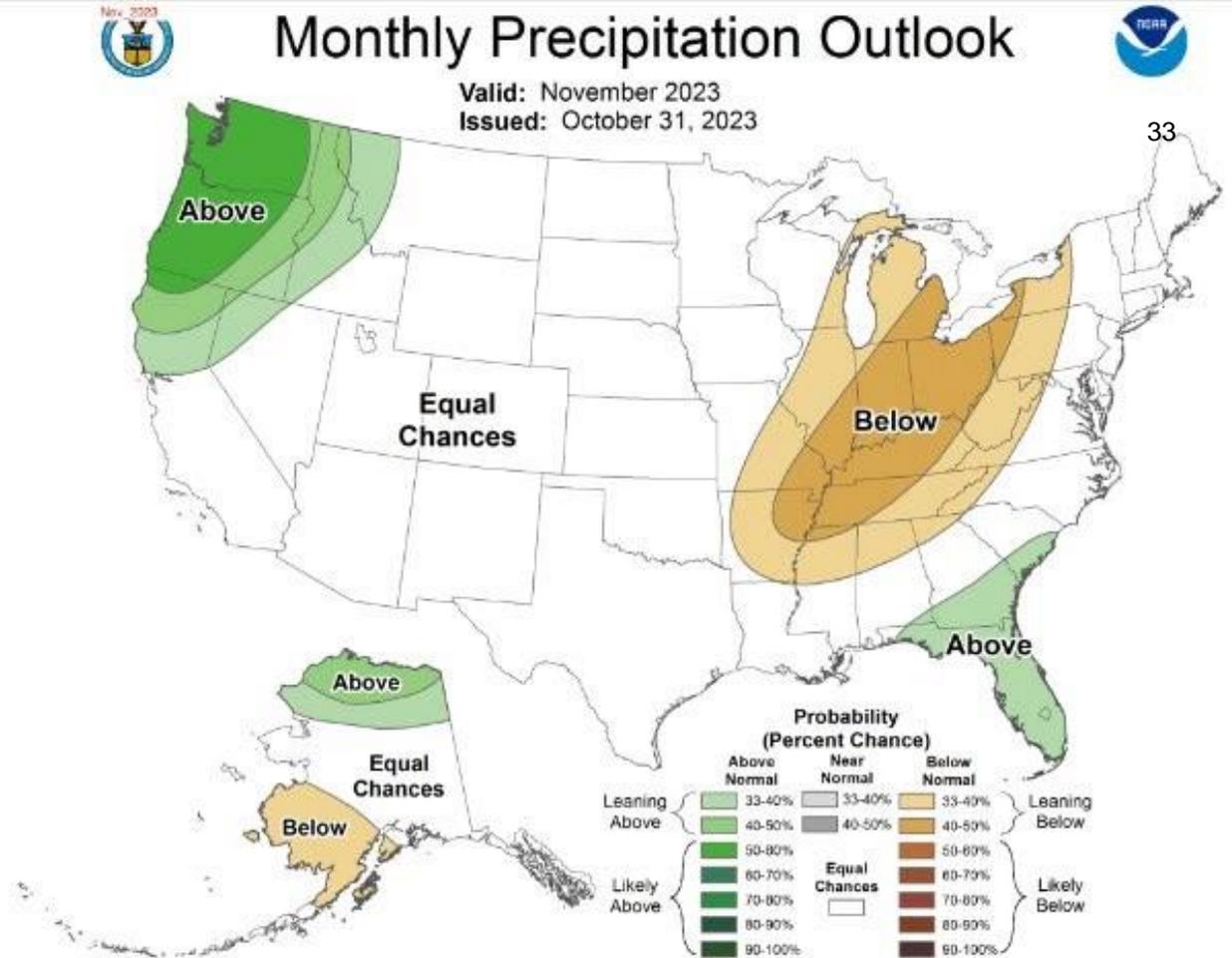
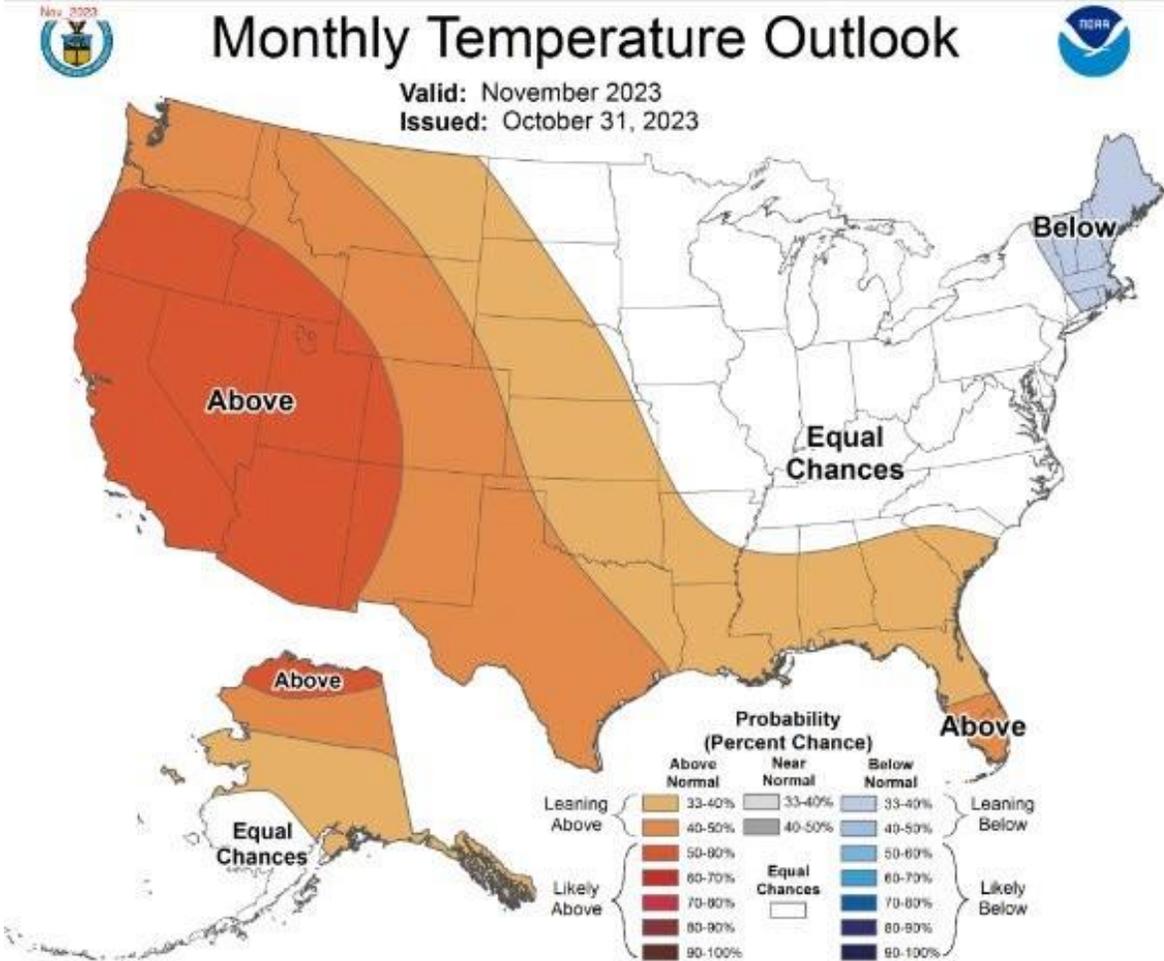


32

- NYMEX prices tend to demonstrate a strongly negative correlation to storage surpluses and deficits.
- The storage surplus to the 5-year average grew rapidly last winter due to robust production and mild weather

Data Sources: U.S. Energy Information Administration (STEO), CME

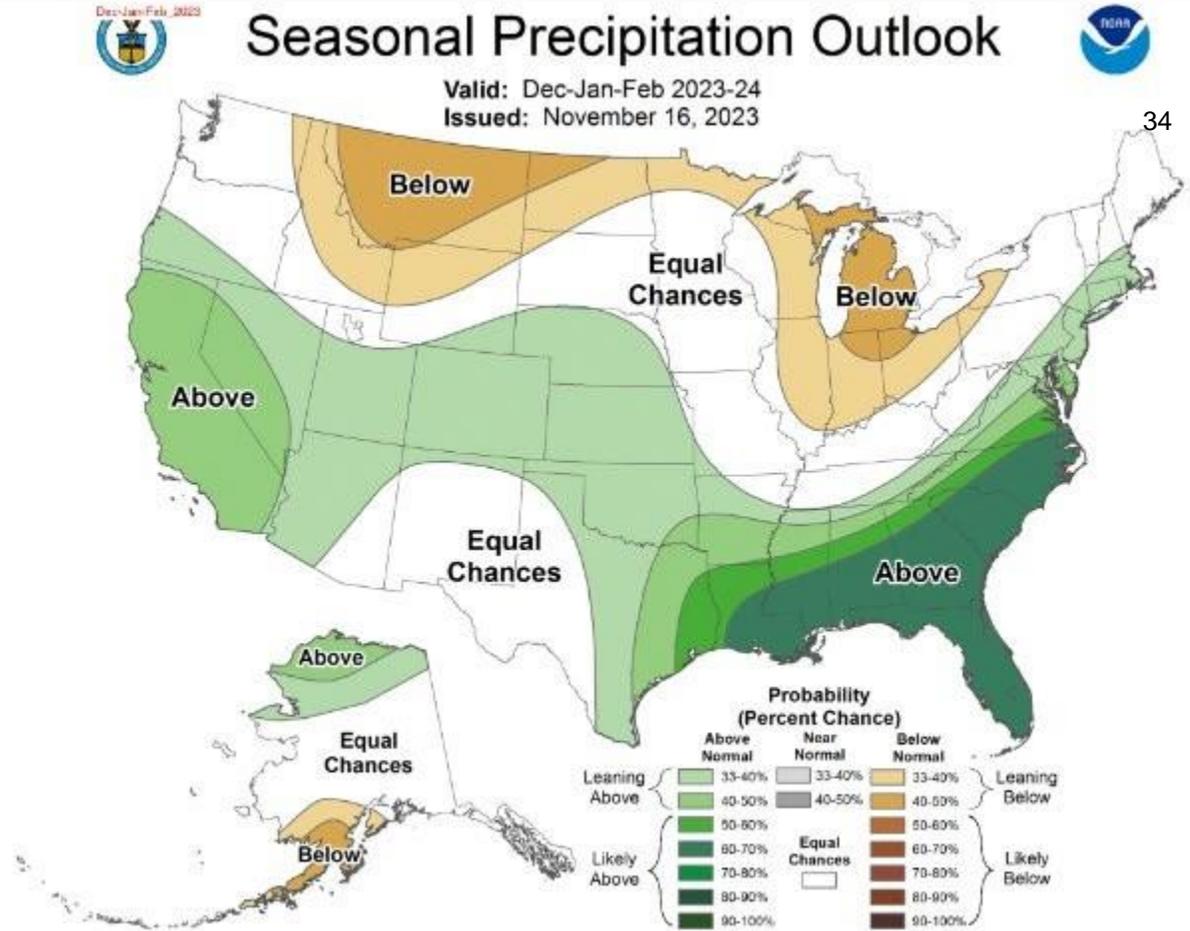
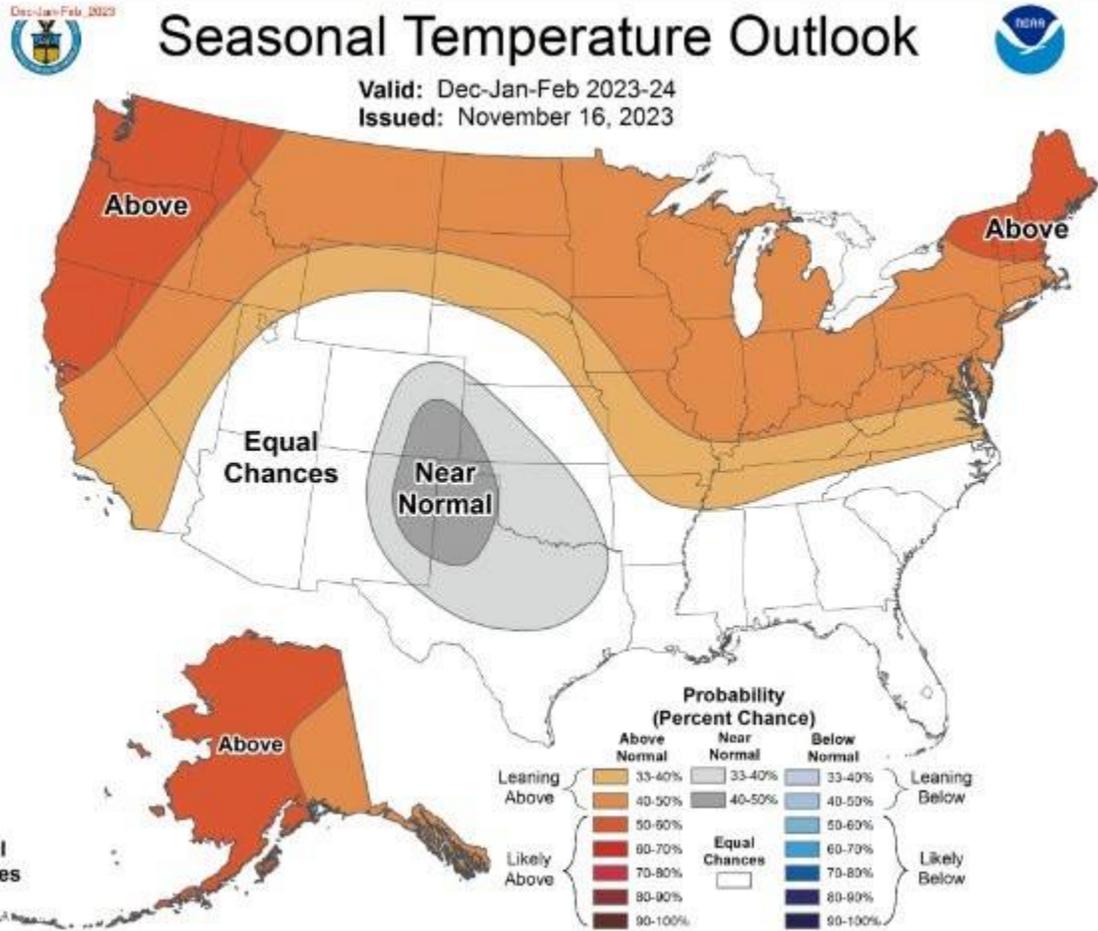
NOAA NOV '23 FORECAST



33

Source: https://www.cpc.ncep.noaa.gov/products/predictions/multi_season/13_seasonal_outlooks/color/churchill.php

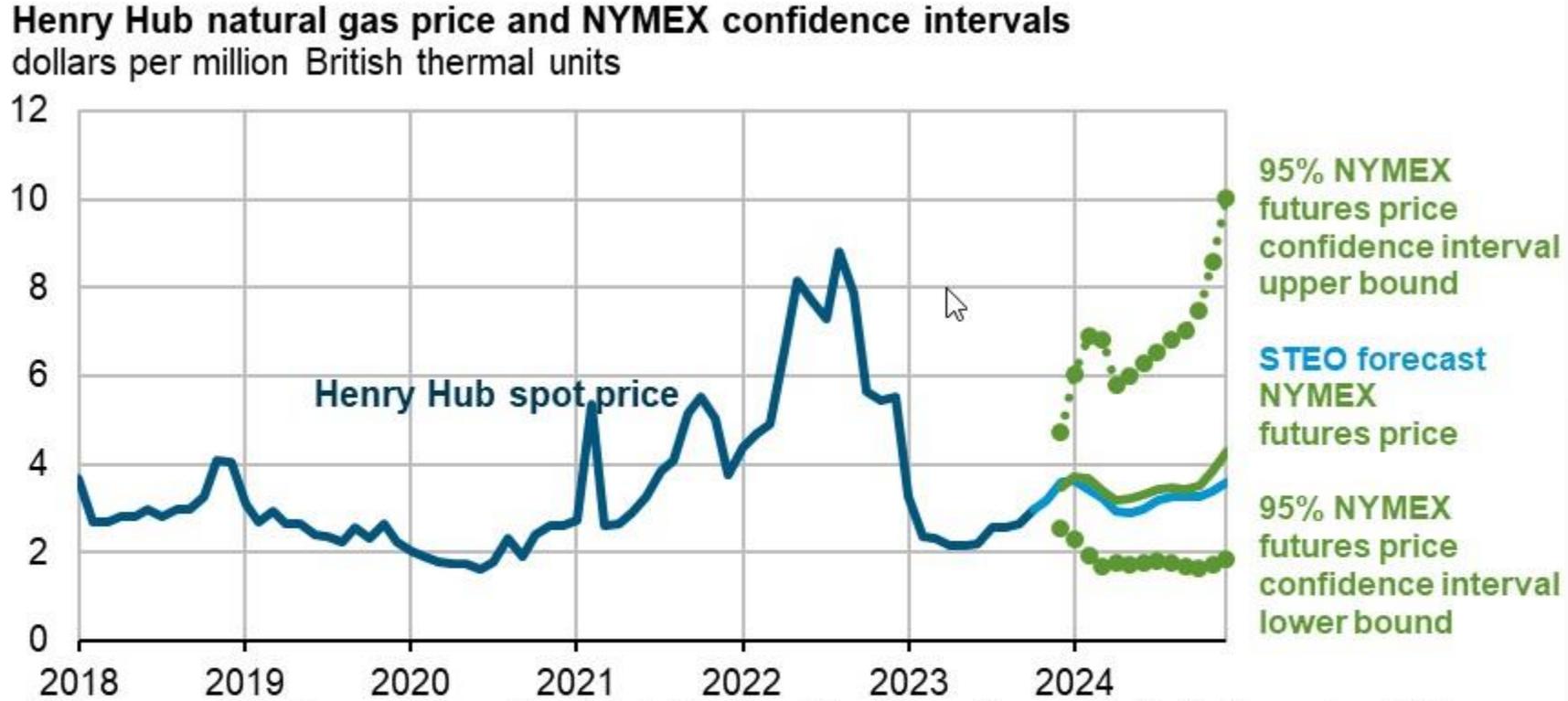
NOAA DEC-FEB '24 FORECAST



34

Source: https://www.cpc.ncep.noaa.gov/products/predictions/multi_season/13_seasonal_outlooks/color/churchill.php

NYMEX PRICES - EIA

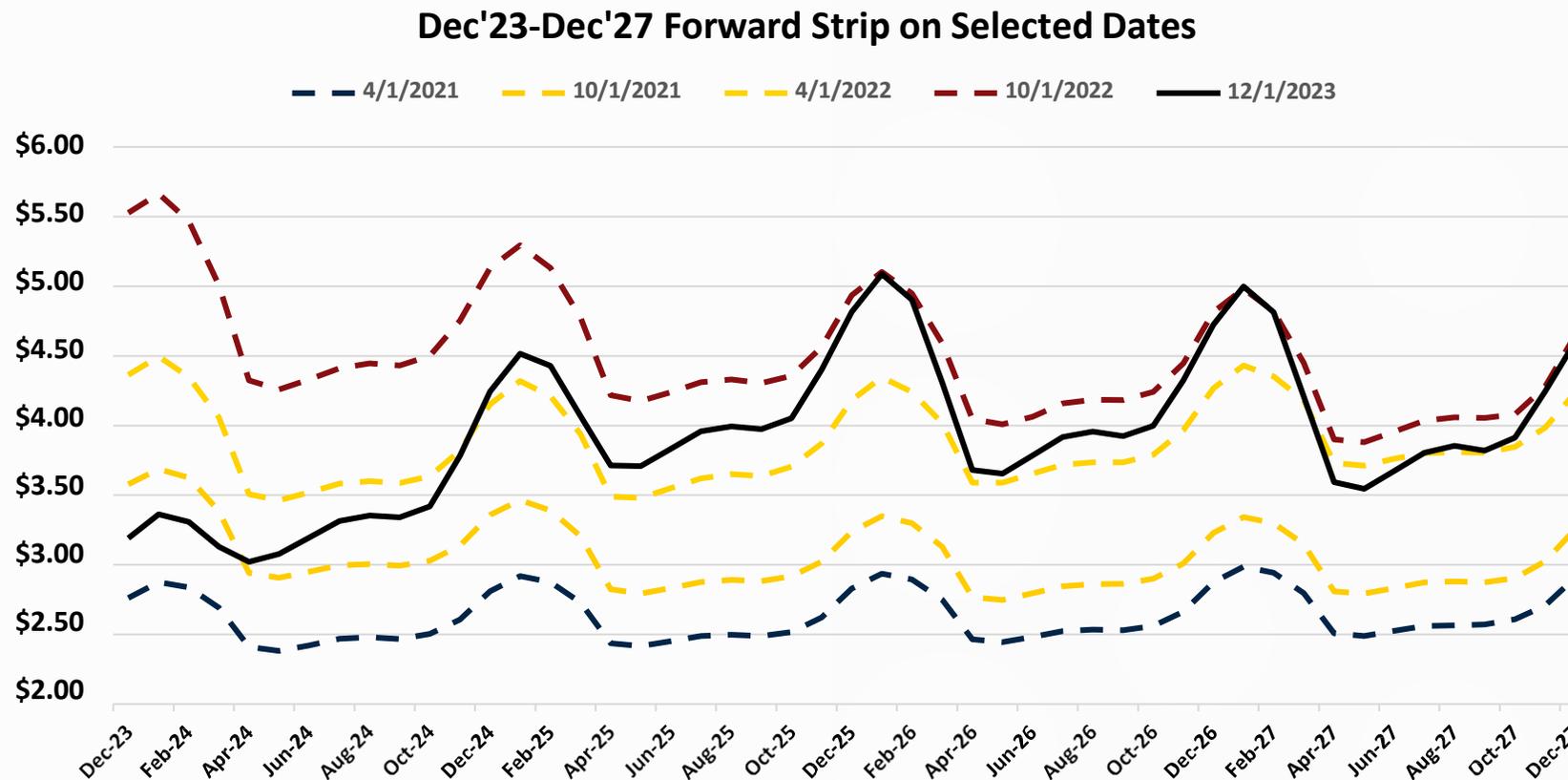


Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, November 2023, CME Group, and Refinitiv an LSEG Business

Note: Confidence interval derived from options market information for the five trading days ending November 2, 2023. Intervals not calculated for months with sparse trading in near-the-money options contracts.



NYMEX PRICES – CALENDAR YEAR STRIPS

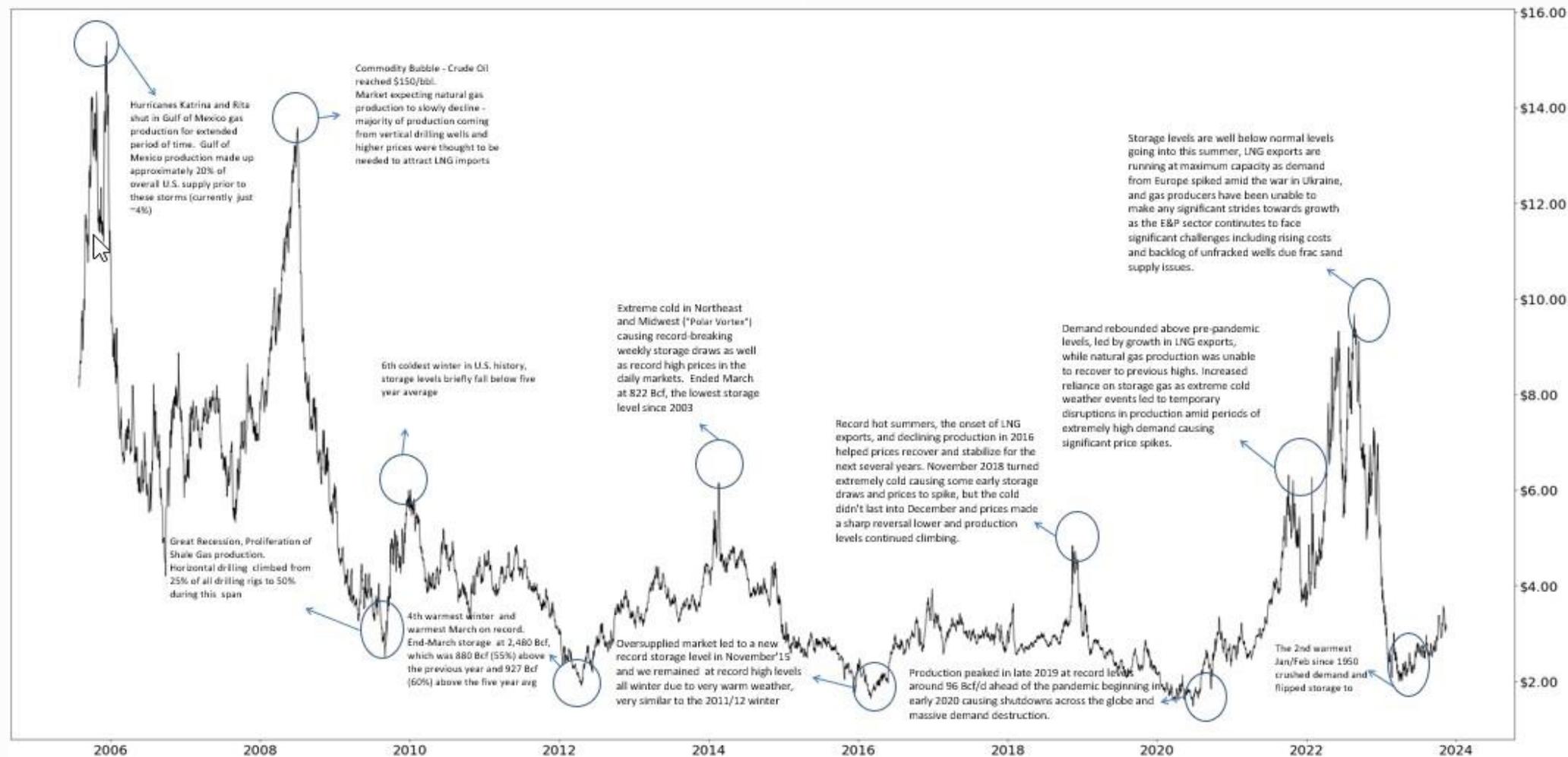


36

- The market switched from backwardation to contango during the last week of 2022 as mild weather dragged cash and futures prices downward.
- Heightened market volatility has remained elevated with both structural (LNG) and variable (weather) demand fluctuations.

Data Sources: ICE, CME

HISTORICAL NYMEX PRICES



Data Sources: ICE, CME

DISCLAIMER

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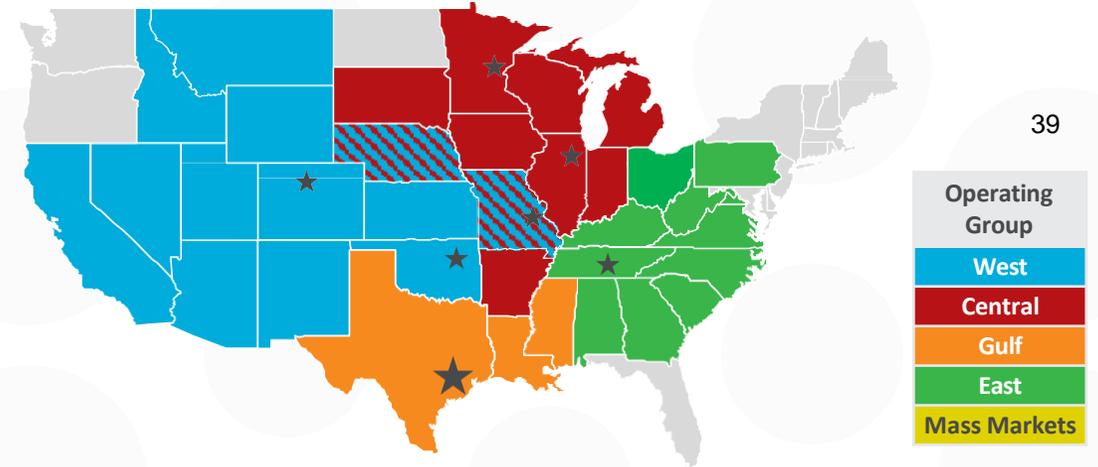
38

SCALE AND GEOGRAPHIC DIVERSITY

Symmetry provides competitive natural gas sales, as well as transport and storage services, to **over 10K commercial and industrial (C&I) customers** at ~30k service addresses in addition to over 60K Mass Markets customers in **over 30 states**.

- Significant focus on **industrial and manufacturing customers**, representing some of the largest users of natural gas
- **Deliver over 1 Tcf of gas annually**, making Symmetry one of the largest natural gas marketers in the U.S.
- Symmetry **manages over 200 Asset Management Agreements (AMAs)** and has over 20 years structuring AMAs for customers.
- **Four Operating Groups** (East, West, Gulf, Central) organized around pipelines, in addition to a broad Mass Markets business
- **Headquartered in Houston, TX**—with regional offices in Franklin, TN; Denver, CO; Tulsa, OK; St. Louis, MO; Chicago, IL; Minneapolis, MN

OPERATING FOOTPRINT



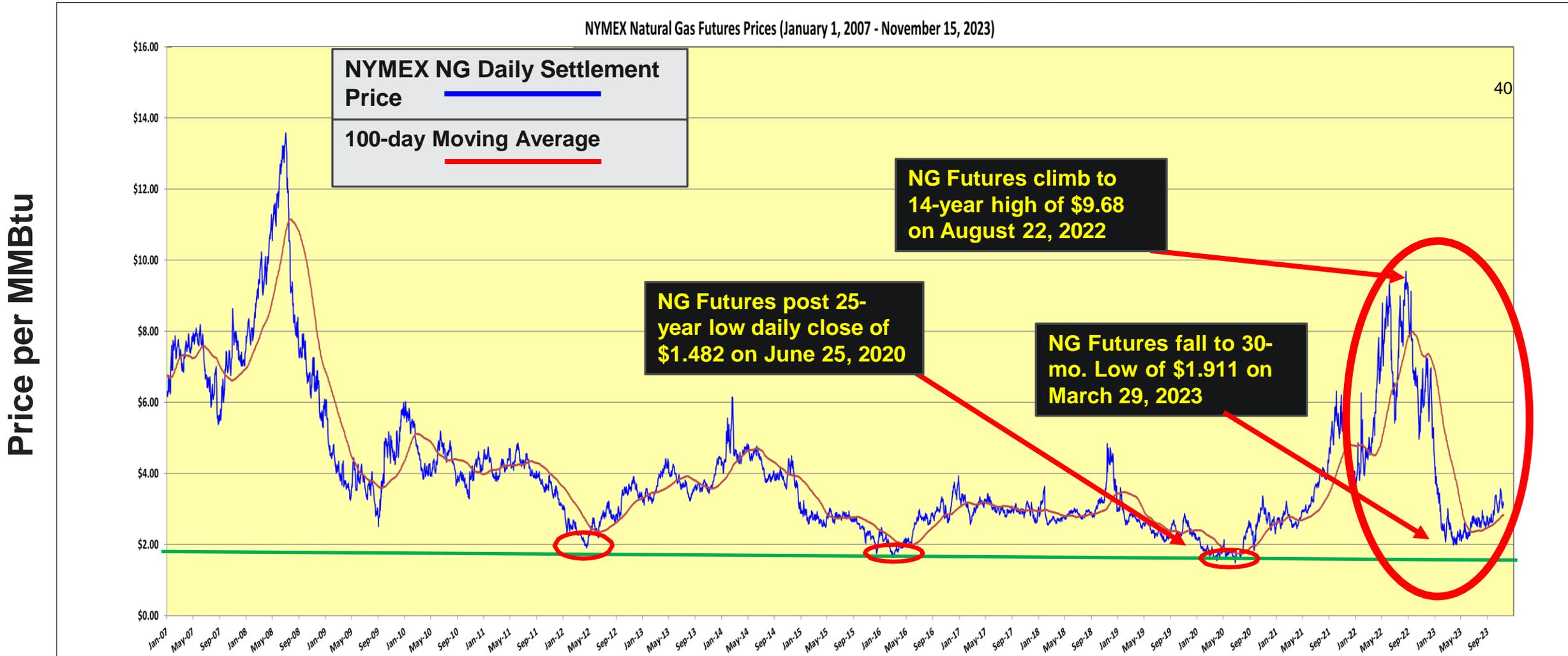
CUSTOMER SEGMENTS

- Industrial / Manufacturing
- Utilities / Municipalities
- Power Generation
- Government / Defense
- Healthcare
- Real Estate
- Education / Institutional
- Co-op
- Bio-fuel / Agricultural
- Residential / Choice
- Natural Gas Producers

PRODUCTS AND SERVICES

- Gas Supply & Delivery
- Balancing Services
- Load Forecasting
- Asset Management (Transport & Storage)
- Fixed and Index Pricing
- Renewable and Responsibly-Sourced Gas
- Online Customer Portal
- Daily Market Commentary
- Producer Services

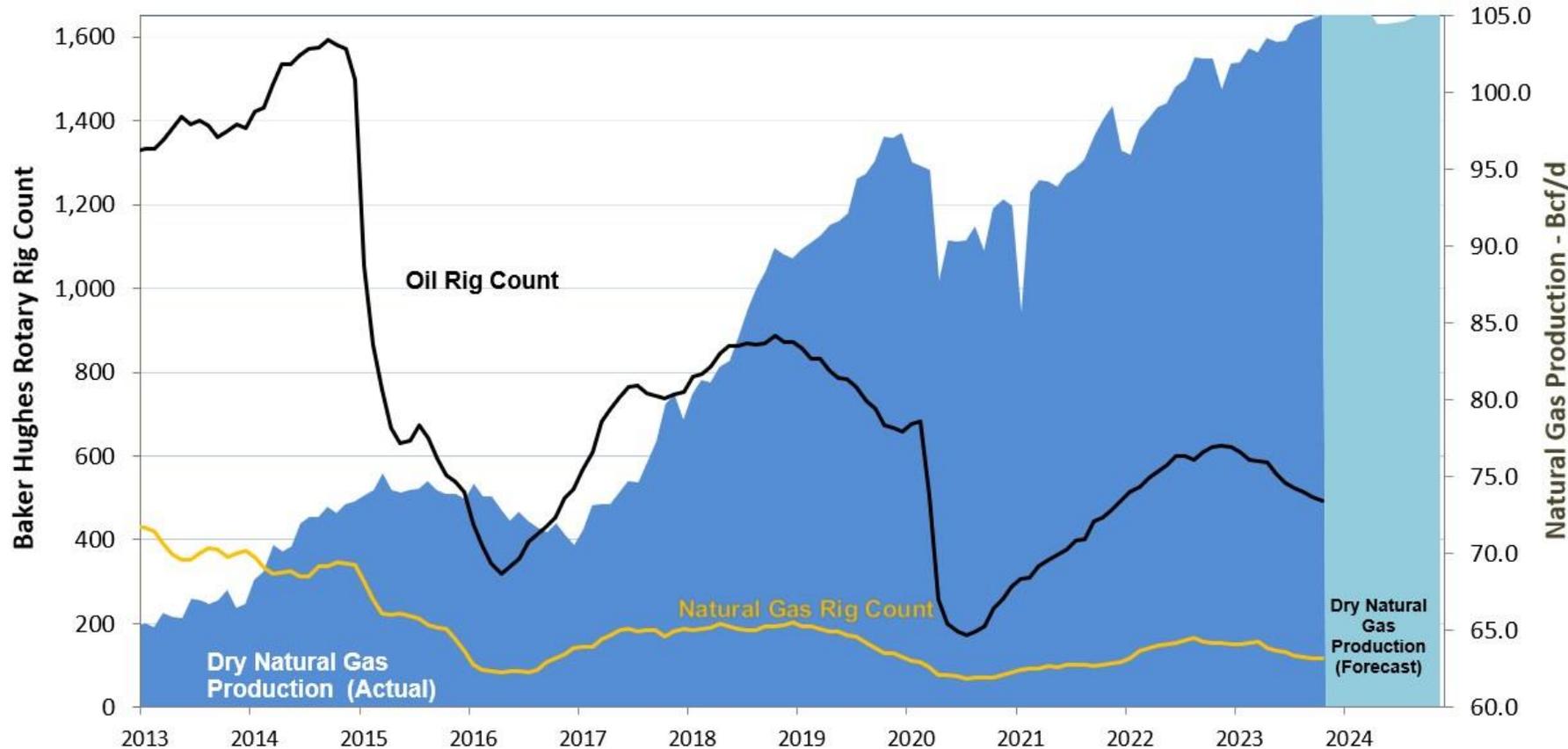
NG FUTURES REBOUND FROM NEAR 3-YEAR LOW IN MARCH 2023



U.S. Supply & Demand Overview

Geoffrey Cormier, Financial Trader

RIGS COME DOWN YET PRODUCTION GROWS—WHAT'S NEXT



Gas-directed drilling rigs⁴² were down 22% for the year through the 3rd quarter (-19% O&G combined), yet production is forecast to peak in April 2024.

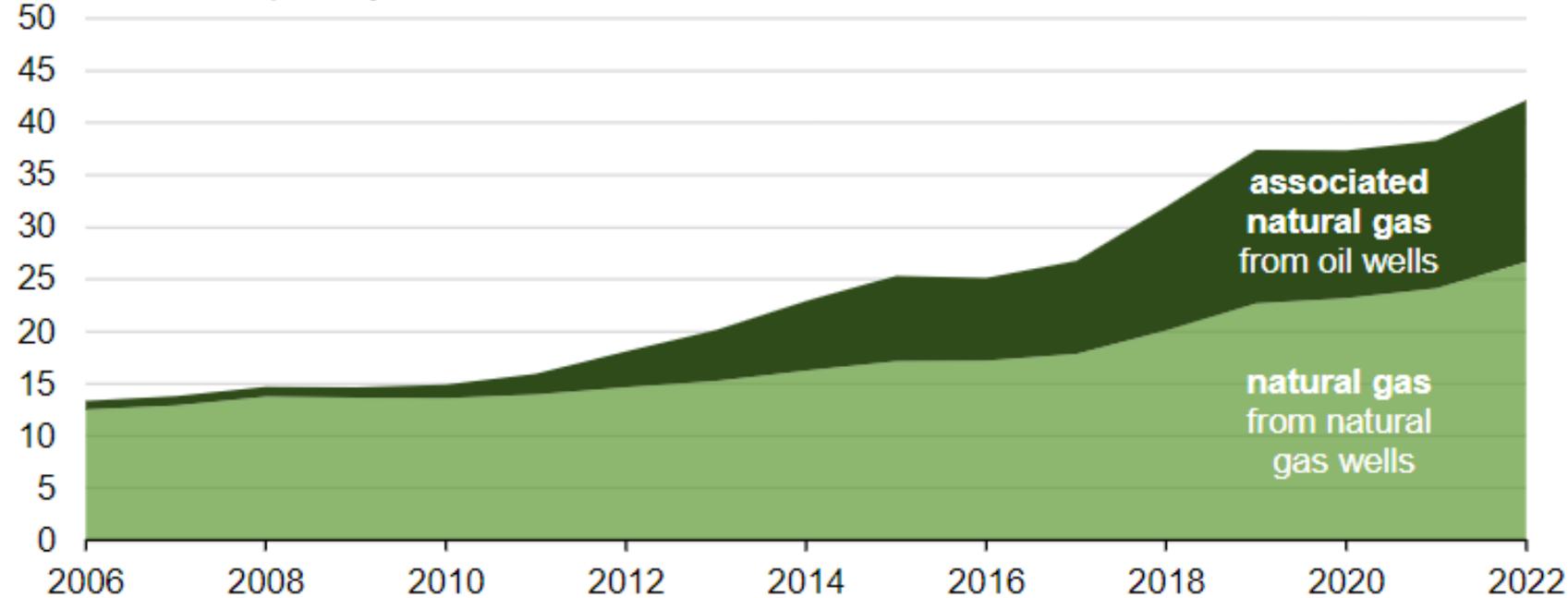
Improved drilling efficiencies, specifically longer laterals and optimized completion, continue to redefine the relationship between nominal rig count, tie-in latency, and production volume

Source : EIA

ASSOCIATED GAS PRODUCTION REACHES CRITICAL MASS

Annual natural gas production in major U.S. crude oil-producing regions by type (2006–2022)

billion cubic feet per day

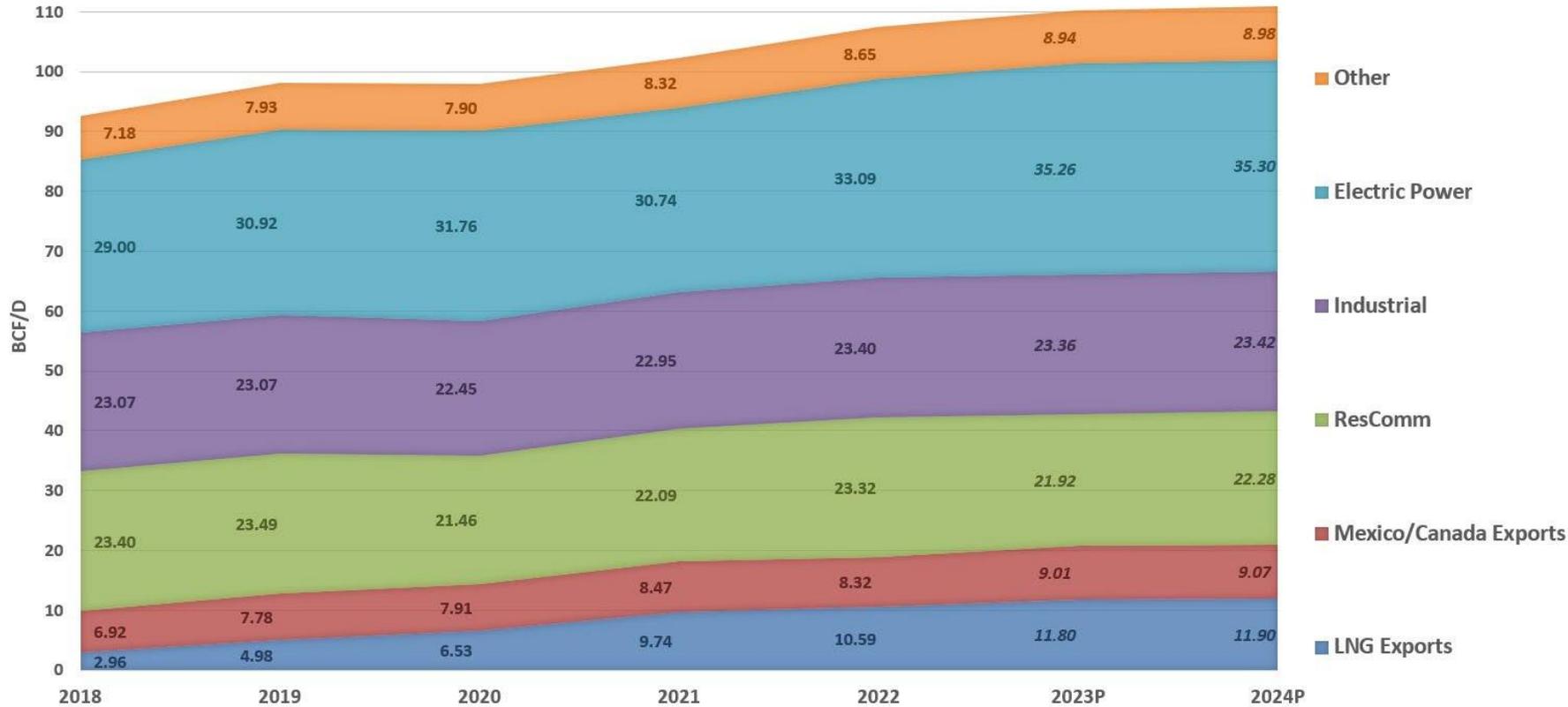


Several years of industry consolidation has concentrated domestic E&P capex in the Permian region ⁴³

Global oil economics have driven methane-price agnostic drilling programs and resulted in rapidly growing associated gas production

Source : EIA

ELECTRIC POWER & LNG DEMAND DOMINATE FORWARD GROWTH



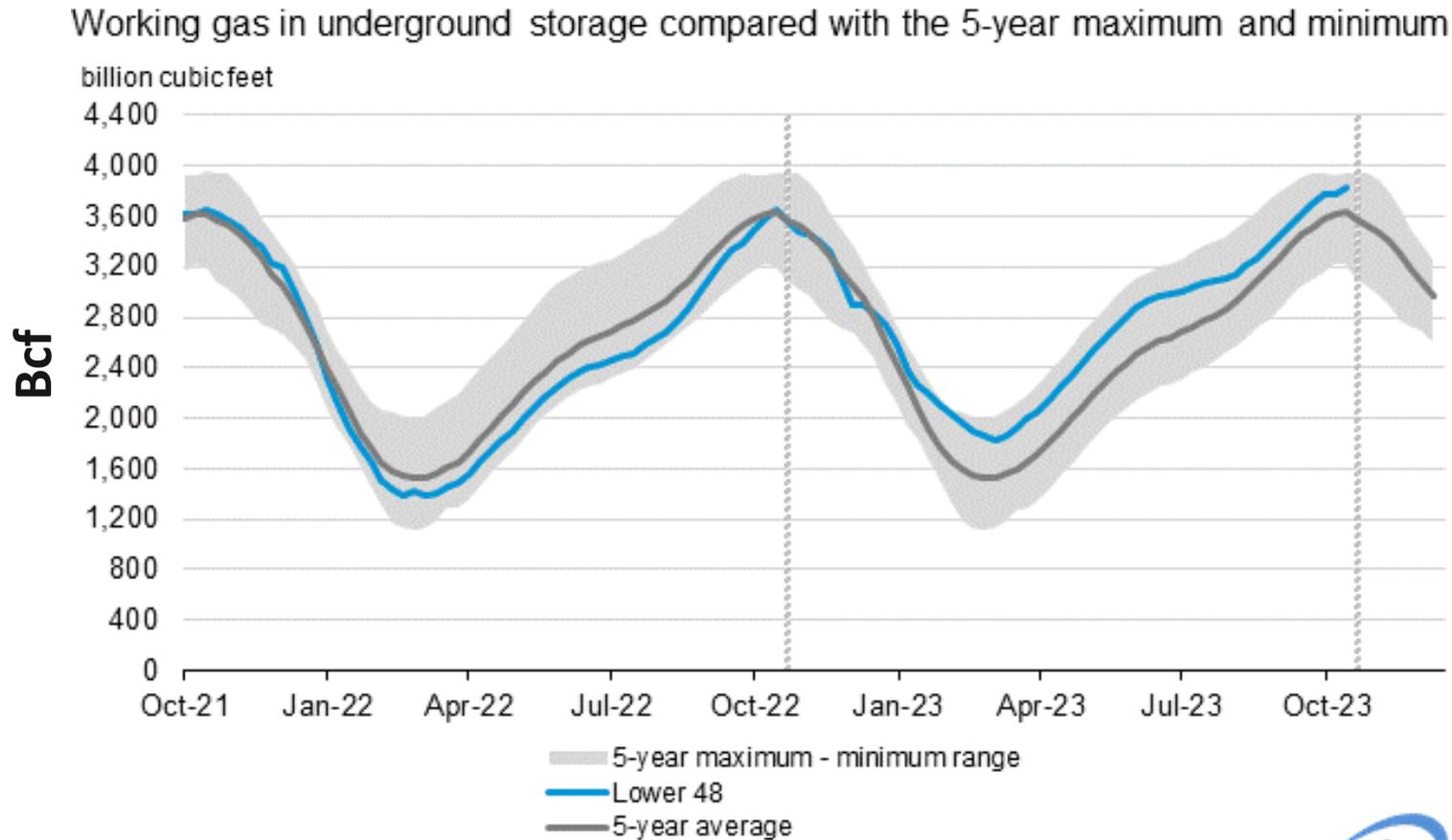
The EIA has adjusted its 2024 gas-fired generation 44 forecast higher in several consecutive monthly revisions

2023 saw record PWCCD intensity, driven both by low gas prices and growing proportion within generation stacks due to coal retirements

LNG export capacity is set to jump by 40% through late 2025 (Golden Pass, Plaquemines, Corpus Christi expansion)

Source : EIA

FALL INVENTORY NEARING 3.9 TCF TARGET; FORECASTS INDICATE 1.9 TCF FOR SPRING



Data source: U.S. Energy Information Administration

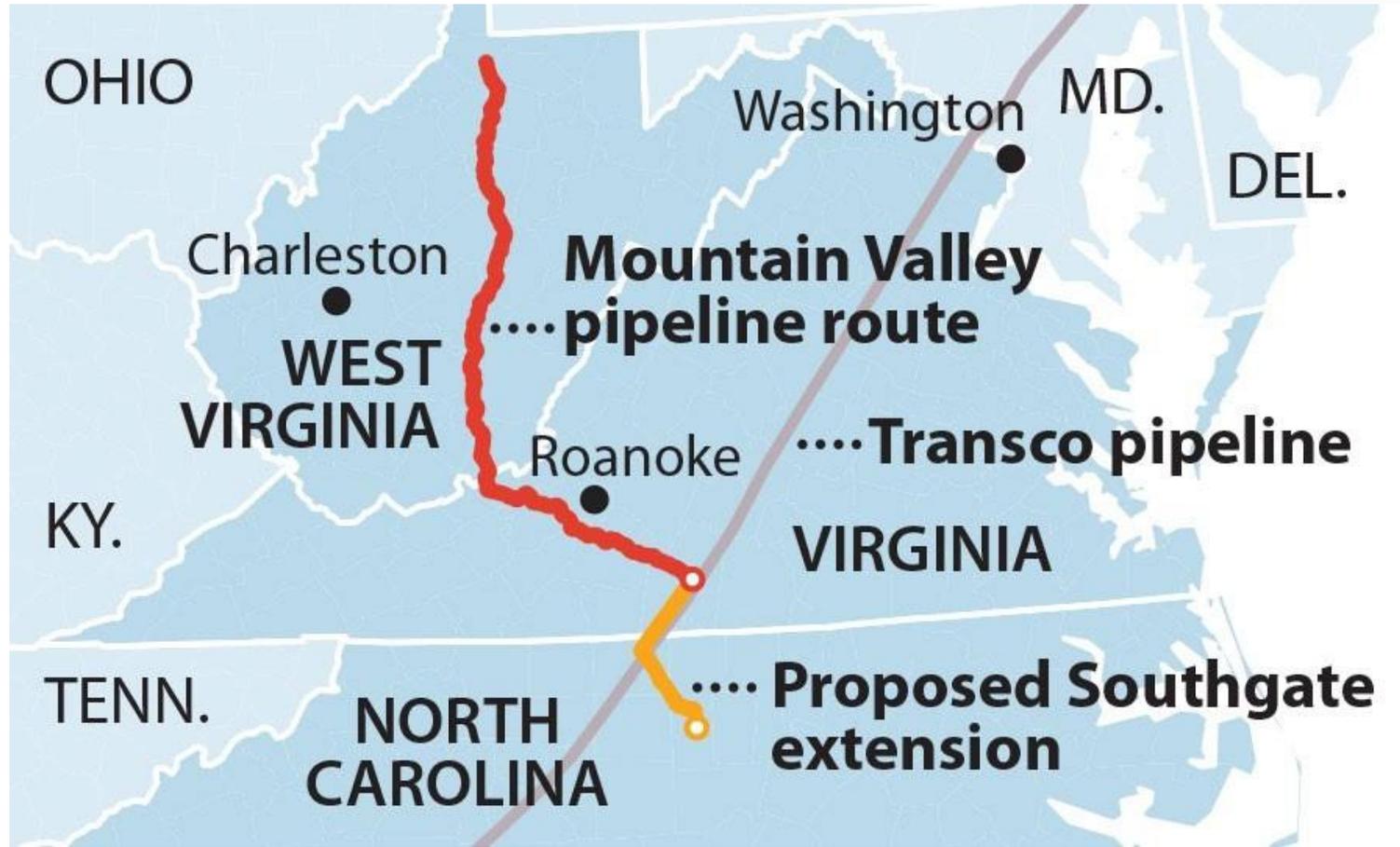


Record Pacific injections outpaced all projections, aided by hydropower generation and supply redundancy

All regional inventories currently sit above 2022 and the 5-year average

Early forecasts for Spring suggest inventory should draw to between 1.8 and 2 Tcf in March 2024

CAN MOUNTAIN VALLEY PIPELINE TRANSFORM MID-ATLANTIC MARKETS



Mountain Valley Pipeline has cleared legislative and judicial⁴⁶ roadblocks and is expected to go into service in early 2024.

The project should quell summer demand spikes in the Southeast, where power demand growth has outpaced infrastructure additions for nearly a decade

Source: Equitrans

2023 Summer Weather Review & 2023 Winter Outlook

Geoffrey Cormier, Financial Trader

SUMMER 2023 TEMPERATURE & CDD COMPARISONS

July 2023–September 2023

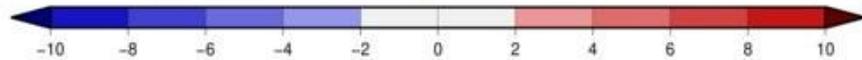
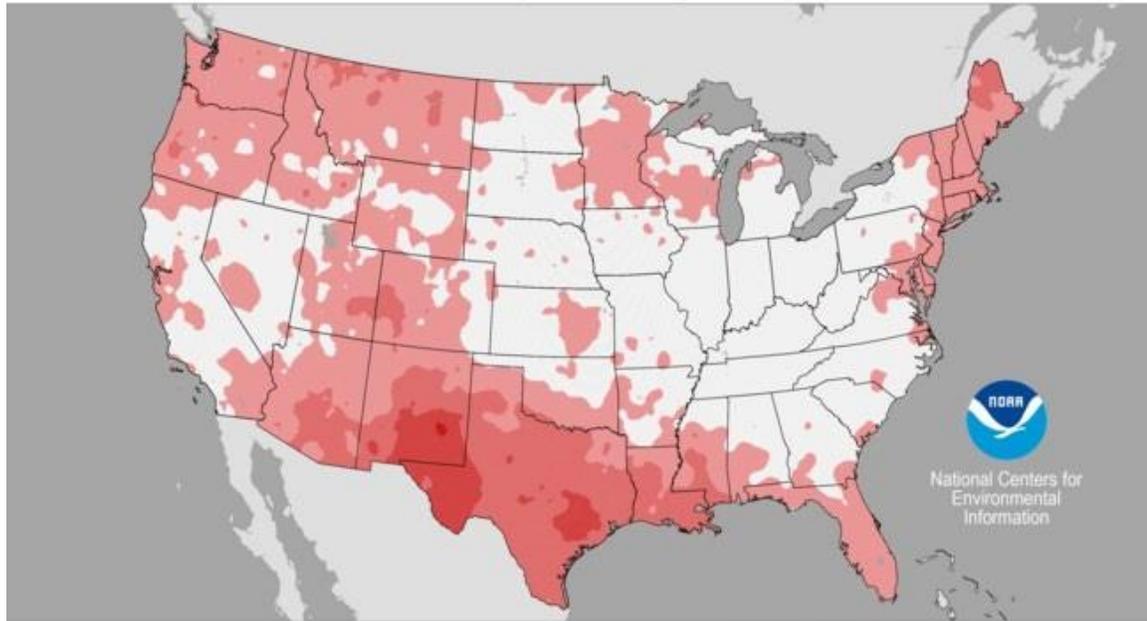
- **5th Hottest** July – September (post-1950)

Population-Weighted Cooling Degree Days ⁴⁸

Mean Temperature Departures from Average

July–September 2023

Average Period: 20th Century



Created: Thu Oct 05 2023

Source: NOAA

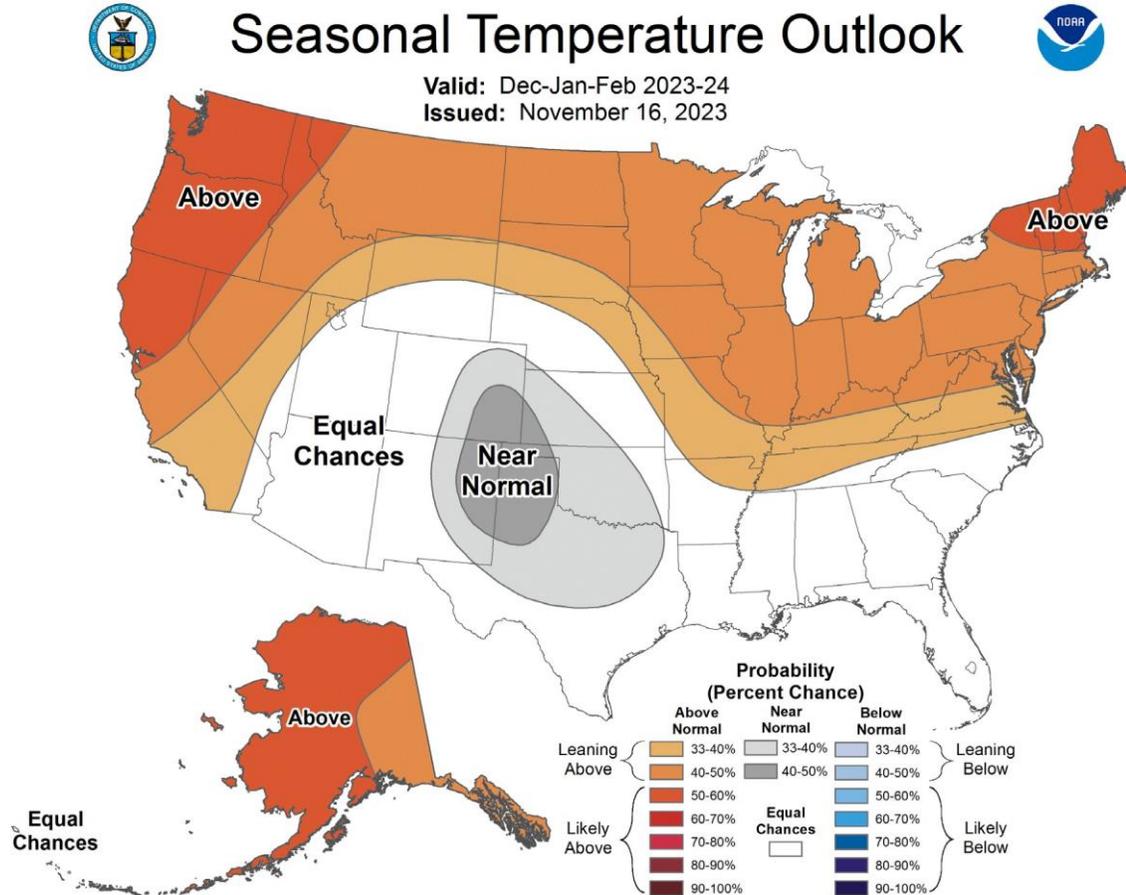
Degrees Fahrenheit

Data Source: nClimGrid

<u>2023</u>	<u>10-Year Normal</u>	<u>30-Year Normal</u>
977	940	872
<u>2022</u>	<u>2021</u>	<u>2020</u>
994	932	961

NOAA WINTER WEATHER FORECAST

December 2023 – February 2024 Forecast



Sources: NOAA, NCDC

Early winter forecasts suggest moderate weather driven by transition to El Nino

ENSO transition years often challenge or forecast skill (accuracy) due to limited analogs

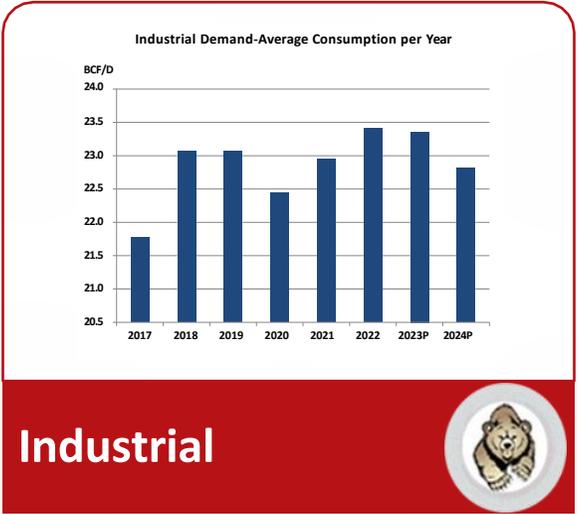
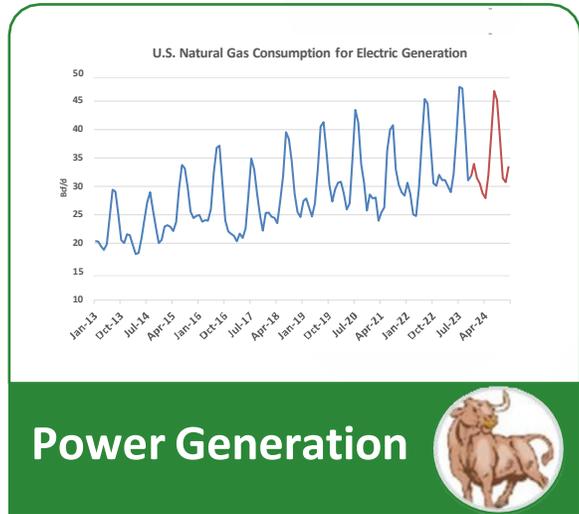
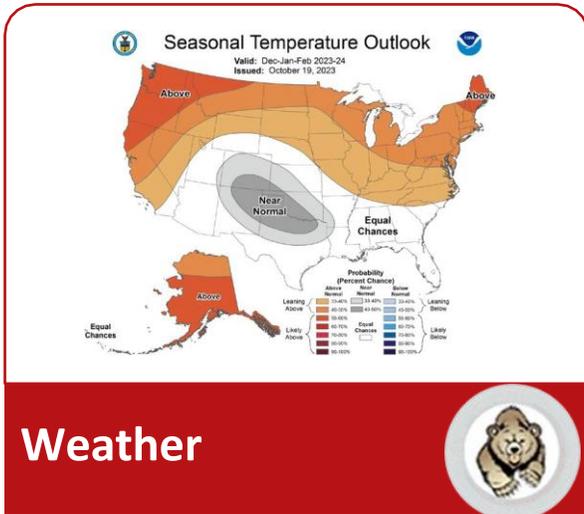
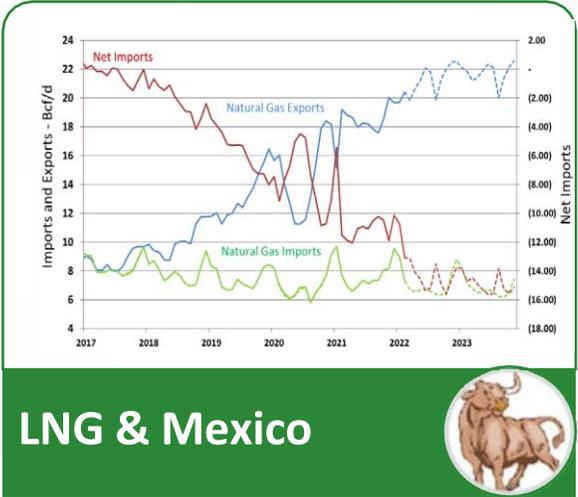
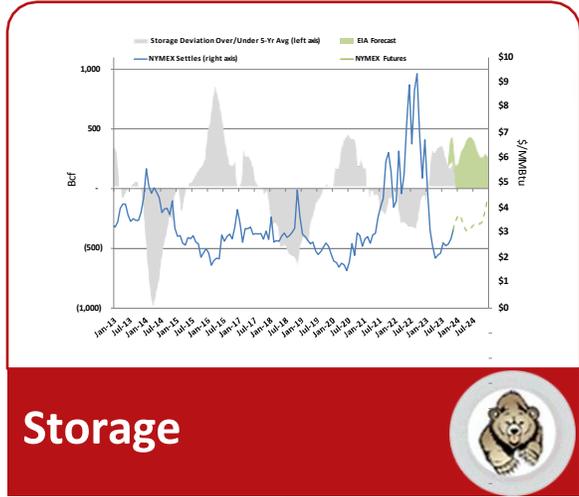
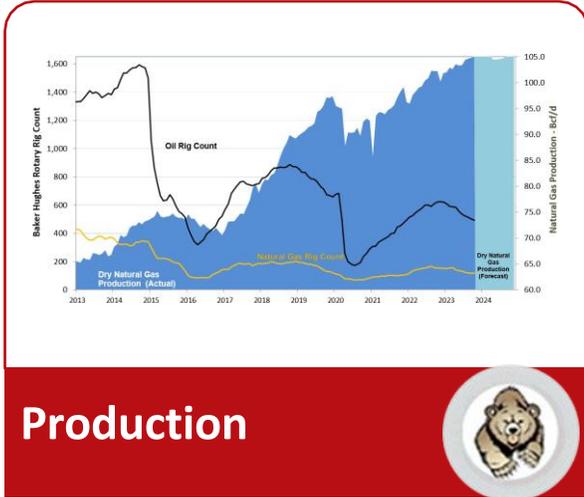
Short-term forecast confidence has trended lower this fall, particularly in the 11-15 day period

Wrap Up

Geoffrey Cormier, Financial Trader

Gerald Wellman, Vice President, East Region Sales

BULL & BEAR SUMMARY



Source: EIA, NOAA, CPC

MITIGATING RISK IN THE NATURAL GAS MARKET

Forward NG Price Management

Identifying a market top or bottom in the NG market is a guessing game.

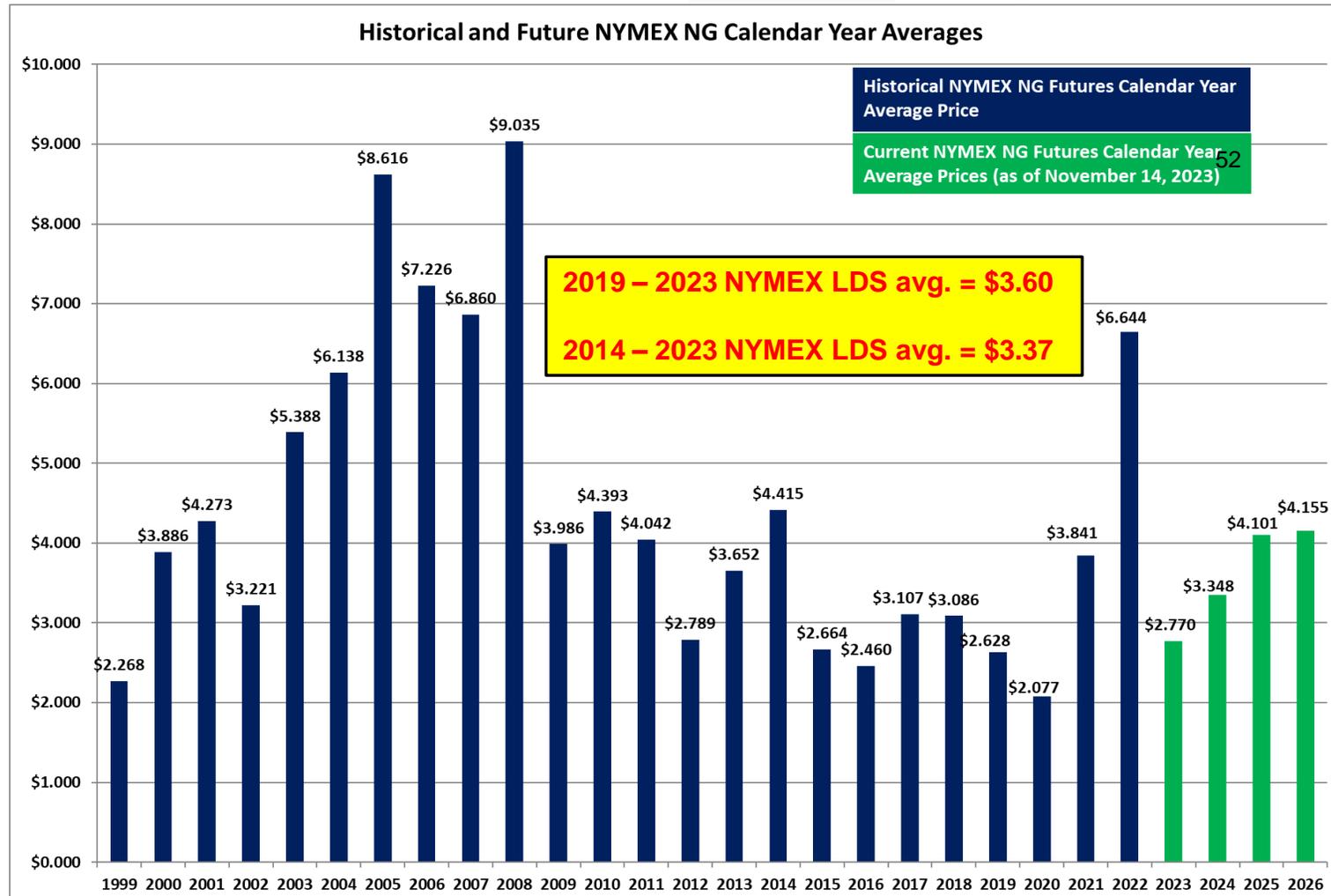
- The development of a structured forward purchasing strategy allows customers to identify factors that could have a material impact on the price of NG and implement a plan to reduce market risk and provide price certainty.

You can't control the direction of the market, but you can control the price you pay for a fixed quantity for a fixed period.

- Do you want to be a proactive market maker, or a reactive market taker?

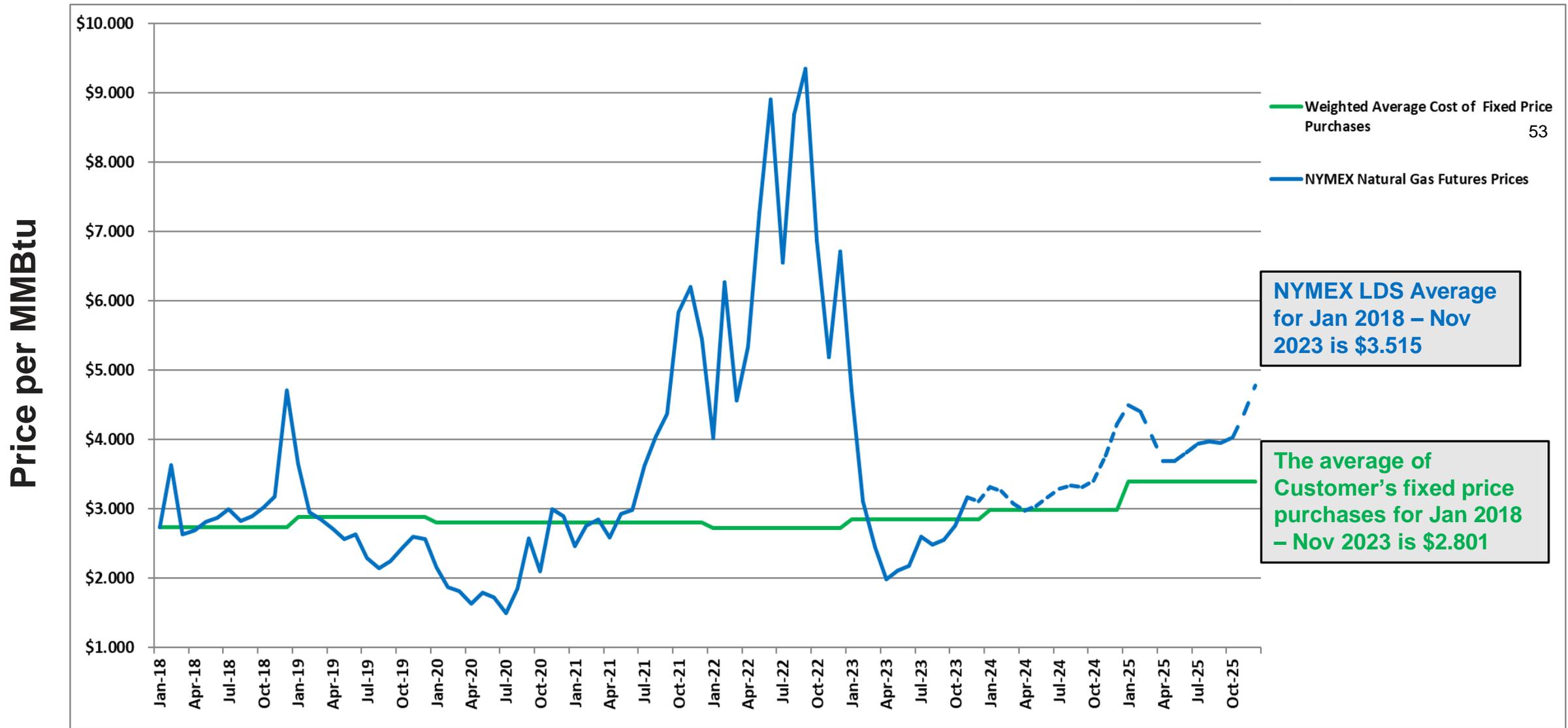
Benefits of a disciplined forward purchasing strategy:

- Price certainty
- Price stability
- Portfolio diversification
- Documents purchasing decisions
- Removes emotion
- Eliminates second-guessing
- Tailored to meet goals
- Assists in budgeting
- Reduces price risk



Diversification of purchases and maintaining a long-range mindset reduces price risk and provides for an effective risk management tool.

EXAMPLE FORWARD FIXED PRICE PURCHASING STRATEGY



MITIGATING RISK IN THE NATURAL GAS MARKET

Physical Gas Supply Reliability

Limited capacity additions:

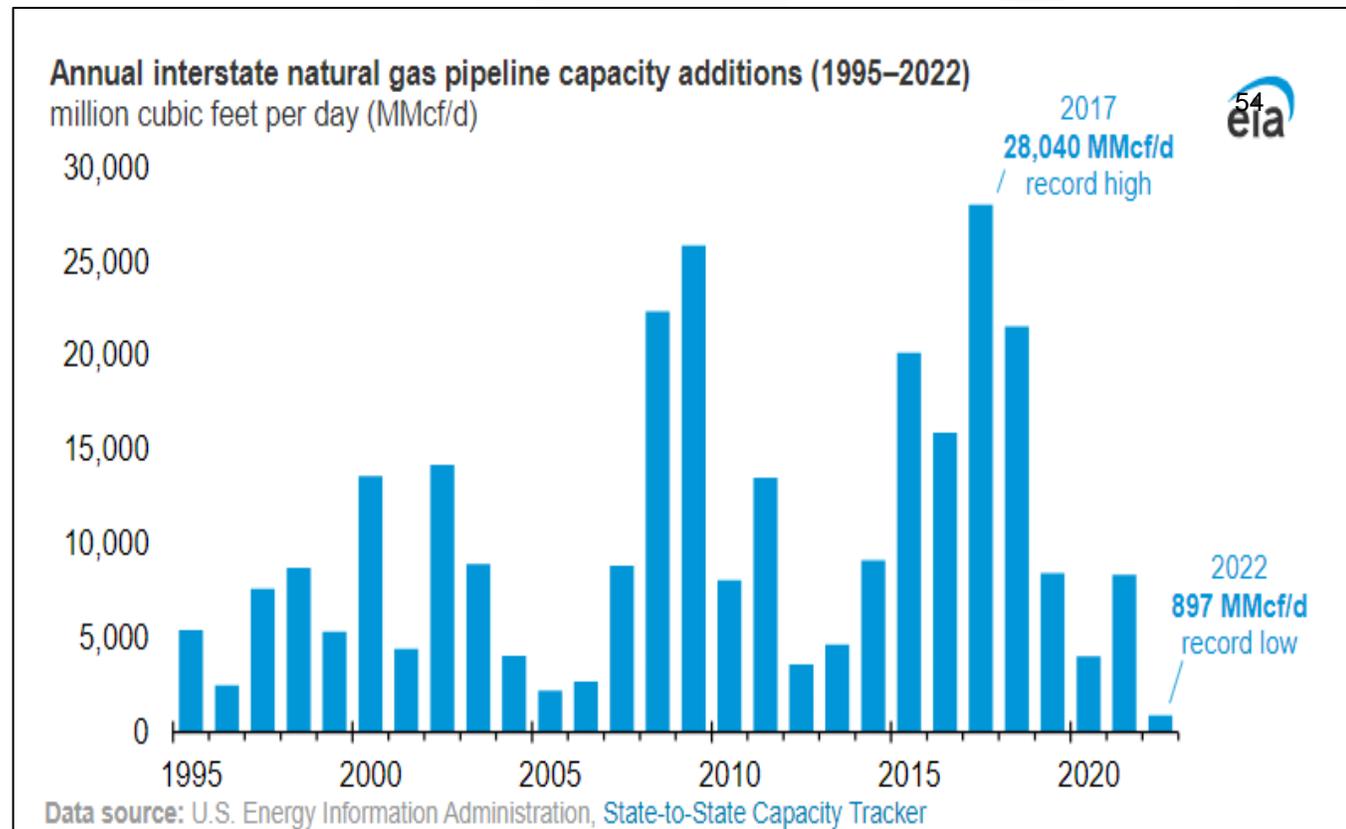
- In 2022 (see graph), the least interstate pipeline capacity was added since data collection began in 1995.
- While NG demand is expected to continue to grow, the lack of investment in pipeline infrastructure development and slowdown in capacity additions is expected to continue in the foreseeable future.

Asset management and ownership of Firm capacity and storage are foundational to Symmetry's business strategy:

- The Symmetry portfolio consists of pipeline assets that are both owned (contracted for by Symmetry) and managed (acquired via AMA).
- Symmetry owns/manages over 3 Bcf/d of Firm pipeline transportation capacity across more than 100 pipeline systems in the U.S. and over 40 Bcf of storage capacity.

Availability and access to Firm pipeline capacity in a changing industry landscape are key to supply reliability for end users:

- As demand grows and pipeline safety requirements increase, we are seeing a decrease in the availability of Firm pipeline capacity and expectations are that pipeline constraints and restrictions will increase in the future.
- The increase in critical pipeline operational notices and occurrences of extreme price spikes in the physical gas markets are not a result of limited availability of gas molecules, but rather a result of a lack of deliverability due to inadequate pipeline infrastructure.



Symmetry is committed to providing customers with the highest level of gas supply reliability and is focused on long-term deliverability.

DISCLAIMER

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II. ENROLLMENT HISTORY

History

Grade	2018-19	2019-20	2020-21	2021-22	2022-23
EC	15	12	4	12	15
4K	274	240	268	270	249
K	290	283	256	295	292
1	280	298	272	278	303
2	298	278	298	297	285
3	288	315	270	304	310
4	340	303	310	285	311
TOTAL	1785	1729	1678	1741	1765
ELEM					
5	289	349	309	326	294
6	288	299	342	318	342
TOTAL	577	648	651	644	636
INTER.					
7	328	304	295	349	330
8	328	341	305	303	354
TOTAL	656	645	600	652	684
MIDDLE					
9	346	339	343	316	314
10	345	347	338	348	318
11	311	342	343	341	347
12	320	326	353	349	350
TOTAL	1322	1354	1377	1354	1329
HIGH					
TOTAL	4340	4376	4306	4391	4414
DISTRICT					

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

Enrollment Increase “New” Students

- 2018-19 1.5%
- 2019-20 1.2%
- 2020-21 -1.9%
- 2021-22 1.1%
- 2022-23 2.4%
- 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.

Enrollment Projections
for the
Waunakee Community School District

November 11, 2023

Prepared by:
Grade A Budgets, LLC

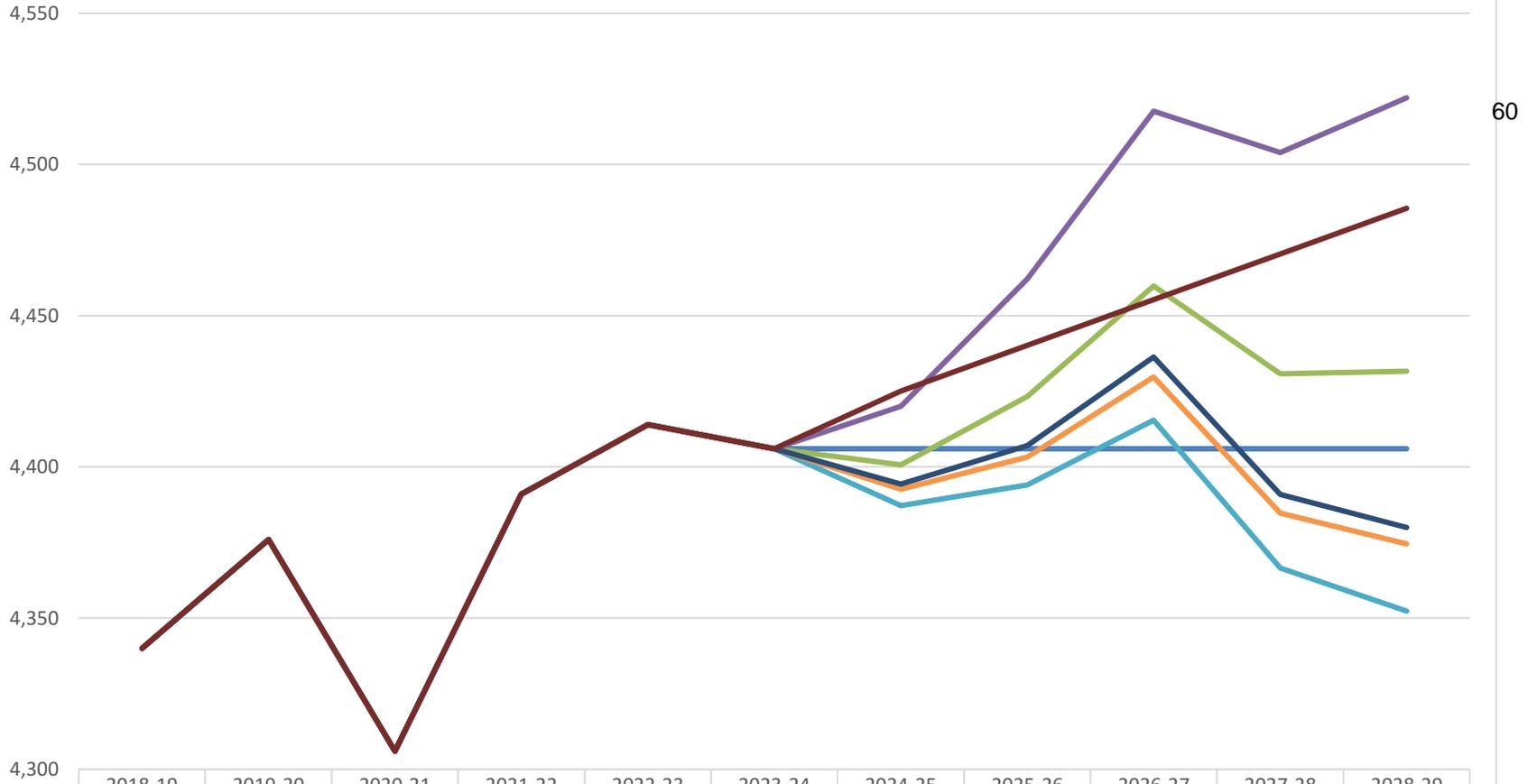
**Waunakee Community School District
Historic and Projected Headcount**

Historic and Projected Headcount - Waunakee Community School District											
Year	Actuals					Current	Projections				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
No Changes	4,340	4,376	4,306	4,391	4,414	4,406	4,406	4,406	4,406	4,406	4,406
<i>Change</i>		36	-70	85	23	-8	0	0	0	0	0
2 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,401	4,423	4,460	4,431	4,432
<i>Change</i>		36	-70	85	23	-8	-5	23	37	-29	1
3 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,420	4,462	4,518	4,504	4,522
<i>Change</i>		36	-70	85	23	-8	14	42	55	-14	18
4 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,387	4,394	4,415	4,367	4,352
<i>Change</i>		36	-70	85	23	-8	-19	7	21	-49	-14
5 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,393	4,403	4,430	4,385	4,375
<i>Change</i>		36	-70	85	23	-8	-13	11	27	-45	-10
Baseline	4,340	4,376	4,306	4,391	4,414	4,406	4,394	4,407	4,436	4,391	4,380
<i>Change</i>		36	-70	85	23	-8	-12	13	29	-45	-11
Linear Trend	4,340	4,376	4,306	4,391	4,414	4,406	4,425	4,440	4,455	4,470	4,486
<i>Change</i>		36	-70	85	23	-8	19	15	15	15	15

**Waunakee Community School District
Historic and Projected Full Time Equivalent (FTE)**

Historic and Projected FTE - Waunakee Community School District											
Year	Actuals					Current	Projections				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
No Changes	4,074	4,091	4,026	4,084	4,118	4,125	4,125	4,125	4,125	4,125	4,125
<i>Change</i>		17	-65	58	34	7	0	0	0	0	0
2 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,149	4,228	4,251	4,153	4,109
<i>Change</i>		17	-65	58	34	7	24	79	23	-98	-44
3 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,155	4,222	4,252	4,200	4,205
<i>Change</i>		17	-65	58	34	7	30	67	30	-52	5
4 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,121	4,152	4,156	4,071	4,053
<i>Change</i>		17	-65	58	34	7	-4	31	4	-85	-18
5 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,118	4,137	4,136	4,056	4,036
<i>Change</i>		17	-65	58	34	7	-7	19	-1	-80	-20
Baseline	4,074	4,091	4,026	4,084	4,118	4,125	4,109	4,110	4,108	4,039	4,021
<i>Change</i>		17	-65	58	34	7	-16	1	-2	-69	-18
Linear Trend	4,074	4,091	4,026	4,084	4,118	4,125	4,128	4,137	4,151	4,159	4,172
<i>Change</i>		17	-65	58	34	7	3	9	14	8	13

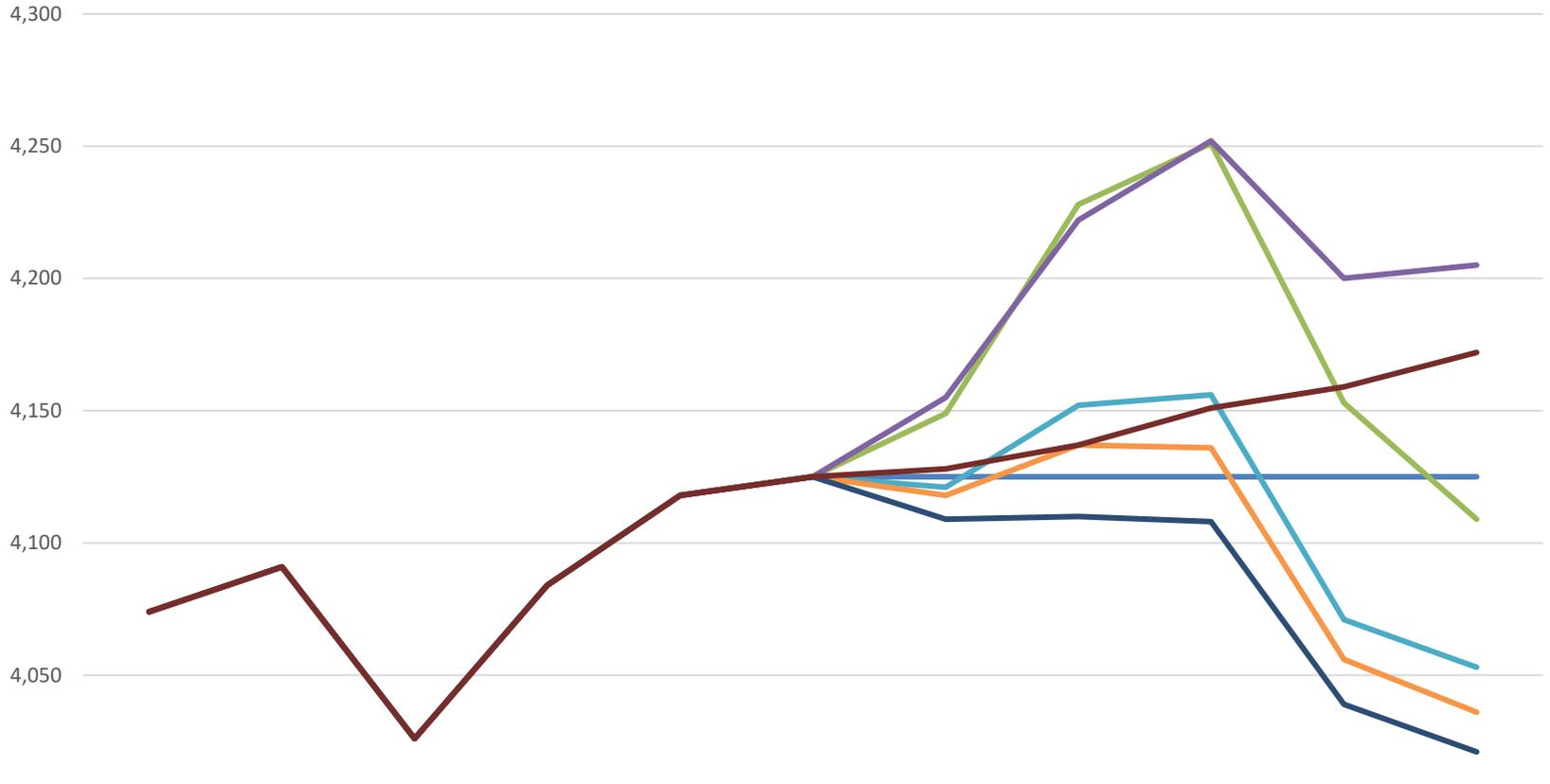
Historic and Projected Headcount - Waunakee Community School District



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
No Changes	4,340	4,376	4,306	4,391	4,414	4,406	4,406	4,406	4,406	4,406	4,406
2 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,401	4,423	4,460	4,431	4,432
3 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,420	4,462	4,518	4,504	4,522
4 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,387	4,394	4,415	4,367	4,352
5 Yr Avg	4,340	4,376	4,306	4,391	4,414	4,406	4,393	4,403	4,430	4,385	4,375
Baseline	4,340	4,376	4,306	4,391	4,414	4,406	4,394	4,407	4,436	4,391	4,380
Linear Trend	4,340	4,376	4,306	4,391	4,414	4,406	4,425	4,440	4,455	4,470	4,486

— No Changes
 — 2 Yr Avg
 — 3 Yr Avg
 — 4 Yr Avg
 — 5 Yr Avg
 — Baseline
 — Linear Trend

Historic and Projected FTE - Waunakee Community School District



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
No Changes	4,074	4,091	4,026	4,084	4,118	4,125	4,125	4,125	4,125	4,125	4,125
2 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,149	4,228	4,251	4,153	4,109
3 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,155	4,222	4,252	4,200	4,205
4 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,121	4,152	4,156	4,071	4,053
5 Yr Avg	4,074	4,091	4,026	4,084	4,118	4,125	4,118	4,137	4,136	4,056	4,036
Baseline	4,074	4,091	4,026	4,084	4,118	4,125	4,109	4,110	4,108	4,039	4,021
Linear Trend	4,074	4,091	4,026	4,084	4,118	4,125	4,128	4,137	4,151	4,159	4,172

— No Changes
 — 2 Yr Avg
 — 3 Yr Avg
 — 4 Yr Avg
 — 5 Yr Avg
 — Baseline
 — Linear Trend

Assumption	Prior Years		Current	Projections				
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<u>Revenue Limit FTE</u>	4,084	4,118	4,125	4,118	4,137	4,136	4,056	4,036
Headcount	4,391	4,414	4,406	4,393	4,403	4,430	4,385	4,375
OE In (FTE)	242	238	245	258	272	295	308	316
OE Out (FTE)	<u>38</u>	<u>45</u>	<u>60</u>	<u>80</u>	<u>104</u>	<u>97</u>	<u>74</u>	<u>73</u>
OE margin	204	193	185	178	169	198	234	62 243
<u>Per pupil Increase</u>	0	0	325	325	325	325	325	325
PPCA	742	742	742	742	742	742	742	742
<u>Operating Referenda</u>	2,127,502	3,127,502	5,127,502	8,127,502	8,127,502	8,127,502	8,127,502	8,127,502
Vouchers	25,654	47,989	118,155	121,457	121,457	121,457	121,457	121,457
<u>All Funds Salaries</u>	35,293,454	38,459,256	42,593,120	45,437,597	47,718,384	49,879,277	51,893,211	53,988,857
All Funds Benefits	12,593,607	13,499,713	14,108,284	14,689,151	15,195,936	15,691,162	16,171,154	16,668,451
<u>Fund 10 revenues</u>	56,513,086	59,625,532	63,564,863	66,749,833	68,330,886	69,937,442	71,406,992	72,556,887
<u>Fund 10 expenses</u>	55,312,394	60,298,881	63,564,863	66,860,760	69,766,207	72,303,590	74,539,984	77,084,904
Margin	1,200,692	(673,348)	0	(110,927)	(1,435,321)	(2,366,148)	(3,132,992)	(4,528,017)
Fund Balance	8,695,515	8,022,167	8,022,167	7,911,240	6,475,919	4,109,771	976,779	(3,551,237)
Fund Balance %	15.7%	13.3%	12.6%	11.8%	9.3%	5.7%	1.3%	-4.6%
Fund 10 Levy	24,956,316	24,807,184	28,460,117	33,212,844	34,442,458	35,429,316	36,725,269	39,345,486
Fund 38 Levy	0	0	0	0	0	0	0	0
Fund 39 Levy	12,017,000	13,342,804	12,838,301	10,699,681	10,700,544	10,828,394	9,239,494	3,244,247
Fund 41 Levy	0	0	0	0	0	0	0	0
Fund 80 Levy	<u>450,091</u>	<u>394,500</u>	<u>394,500</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<u>Total Levy</u>	37,423,407	38,544,488	41,692,918	44,412,525	45,643,002	46,757,710	46,464,763	43,089,733
Prop Value	3,437,359,073	3,980,468,177	4,649,771,435	4,789,264,578	4,932,942,515	5,080,930,791	5,233,358,715	5,390,359,476
Mill Rate	\$10.89	\$9.69	\$8.97	\$9.27	\$9.25	\$9.20	\$8.88	\$7.99

Waunakee Community School District

COMMUNITY SURVEY PROPOSAL

October 26, 2023

Contact:

Bill Foster

262.299.0329

bfoster@schoolperceptions.com

Rob DeMeuse

262.299.7159

rdemeuse@schoolperceptions.com

63



262.644.4300 | schoolperceptions.com



Project Overview

The Waunakee Community School District serves approximately 4,400 students in prekindergarten through 12th grade. The District is interested in surveying parents, staff, and the community as they explore options to increase school funding, which may include pursuing an operational referendum.

To accomplish these goals, we do not advocate random sampling, a process that, by definition, excludes most members of the community. Instead, School Perceptions specializes in a process that includes every member of the community. With this approach, each community member is educated about the needs and challenges of the District. We have found that a community survey is a critical first step. By administering a community survey, your district will be able to:

- ✓ Educate your community members on the needs of your district.
- ✓ Gather data on community members' educational priorities.
- ✓ Understand the tax tolerance associated with the potential options.

Our process begins with the mailing of a paper survey to all district households. A cover letter explains the nature of the survey and encourages the respondent to participate either online or on paper. Additionally, our methodology supports survey administration in multiple languages.

Our proprietary software generates a one-time use access code, which ensures no one can take the survey more than once. The paper survey can be completed and mailed back to School Perceptions for data entry. Once the survey process is completed, our software will break down the results based on key community subgroups.

After completing more than 900 community projects over the past 20 years, the School Perceptions methodology has proven to be highly predictive.

About Us

School Perceptions LLC is a Wisconsin-based, independent educational research firm that works with school districts, regional service agencies, as well as state and national organizations. Over 10,000 schools have used School Perceptions to collect millions of survey responses from students, staff, parents, non-parents, and community stakeholders.

For 20 years, our mission has never changed:

We help educational leaders gather, organize, and use data to make strategic decisions.

Meet Your Account Team

Bill Foster is the President of School Perceptions. Bill will work with you to develop and deploy your community survey.

Bill graduated from the University of Wisconsin-Platteville with dual degrees in Engineering and Business Administration. Early in his career, he served the Kelch Corporation as Vice President and General Manager. During this time, Bill volunteered at a local high school, first working with special needs students and later designing and teaching an entrepreneurship class for high school seniors. It was during these experiences that Bill developed an appreciation and passion for education.



Dr. Rob DeMeuse is the Research Director and a Project Manager at School Perceptions. Rob will work with you to develop and deploy your community survey. He also works with districts to administer student, parent, and staff surveys and regularly reviews each survey to ensure content is current with up-to-date research.

A proud product of rural Wisconsin, Rob earned his Ph.D. from the University of Wisconsin, where he researched school finance and the factors that influence school referenda. Prior to graduate school, Rob was a high school social studies teacher in Evansville, WI.



Cari Udermann is a Project Implementation Manager and works with you to coordinate survey administration. She attended St. Cloud State University and Syracuse University, earning degrees in Psychology and Nursing, respectively.

Cari has worked in both the medical and education fields. While working in schools, she became aware of the importance a healthy school climate has on students' ability to learn.



Why School Perceptions?

Over the past 20 years, School Perceptions has developed a reputation for excellence and reliability. The following is a summary of factors that uniquely position School Perceptions to meet the needs of the Waunakee Community School District.

- 1) **An objective and unbiased process:** Often, surveys designed and administered by a district are perceived as biased by survey-takers. Consequently, results are questioned, trust is broken, and the entire process is undermined. By using School Perceptions, an objective, independent firm, your approach, results, and plans moving forward are viewed credibly.
- 2) **An emphasis on you:** Every school district has unique challenges. Therefore, we never treat a project with a cookie-cutter approach. We listen to you, we work with you, and we customize your project to meet your needs.
- 3) **Cost-effective:** School districts use community surveys to help shape plans that will impact their communities for generations – plans that often amount to millions of dollars. School Perceptions understands the resource challenges schools face. We are confident that our services will be a good investment as you develop your long-term, continuous improvement projects.
- 4) **Research-based and applicable:** The quality of our work will never waver. We combine extensive research reviews with our decades of experience to help you get accurate, trustworthy, and dependable data.
- 5) **Comparison data:** If 80% of your community believes you are keeping the public informed, is that good? Or do you have a problem? By using our benchmarks, we can provide satisfaction question-level comparisons to similar schools. Rest assured; individual school names are never shared. Our software also calculates longitudinal changes to quantify growth on a year-over-year basis.
- 6) **Proprietary survey software:** Our survey system is custom-designed to meet your unique needs and has proven to be extremely user-friendly and reliable. Our software has controls to ensure each survey can be used only once. We continually review security protocols to ensure that your data is always protected and backed up.
- 7) **Stakeholder engagement:** Our work together has a twofold purpose. Surveys help you collect the perception data you need for continuous improvement and serve as a tool to help the community understand your needs. Our experience has shown that asking the *right* questions in the *right* way is central to the success of a project.
- 8) **Ongoing support:** Gathering good data is only half of the challenge. Our team of experts will help you make sense of your data and develop a realistic plan of action.
- 9) **Dedication to service:** Technology and information specialists are available Monday-Friday, 8 a.m.-5 p.m. CT. We also provide 24-hour, 365-day-per-year real-time monitoring of company servers. Our staff is dedicated and ready to help your team through each step of the process.

Process & Investment

Phase 1 – Strategy Development: \$1,200

- ✓ Identify overall project goals
- ✓ Define options for testing support (if applicable)
- ✓ Develop the project timeline with key milestones and assignments
- ✓ Assist with pre-survey communications planning

Phase 2 – Survey Design: \$2,500

- ✓ Gather key district stakeholder input in the planning process
- ✓ Draft the survey with content specific to your project/community
- ✓ Facilitate survey approval process with district leadership
- ✓ Send the draft to a professional proofreader and generate a print-ready version of the survey
- ✓ Program customized content into the School Perceptions proprietary software system

Phase 3 – Survey Administration: \$3,700

- ✓ Secure mailing lists
- ✓ Assist in sourcing the cost-effective survey printer option
- ✓ Coordinate printing and mailing logistics *
- ✓ Assist with a communications plan to promote awareness and participation per district plans
- ✓ Coordinate production and distribution of each survey instrument to target groups
- ✓ Generate unique survey access codes or kiosk codes
- ✓ Launch electronic survey to staff and parent groups
- ✓ Send staff and parent survey reminders via email
- ✓ Monitor live survey data, systems and perform daily data and software backup

Phase 4 – Results Reporting: \$2,800

- ✓ Provide access to all data through the secure School Perceptions password-protected portal
- ✓ Produce and present a formal analysis report (assumes virtual presentation)
- ✓ Assist in understanding the data and providing realistic next steps based on the items tested

** Administration costs do not include printing or postage.*

Policies:

The School Perceptions Privacy Policy ensures that all email addresses provided will only be used for your district's contracted services. Our entire privacy policy can be found at www.schoolperceptions.com/files/SchoolPerceptionsPrivacystatement.pdf.

Data access is granted to the District's Custodian of Records with the ability to disaggregate all compiled data and authorize access to other district staff. Unless otherwise noted, School Perceptions will designate the Custodian of Records to be the signer of this proposal.

Optional Services

1. **Evening Meetings & Site Visits:** Our projects can be completed via online conferencing and phone. If requested, we can schedule evening meetings with your team and/or school board for planning or presentation services. Site visits will be charged at \$800 per visit plus expenses. Evening virtual meetings will be charged at \$200. (Virtual results presentation is included in phase four of the proposal.)
2. **Prepaid Postage Envelopes:** School Perceptions can provide prepaid envelopes at the cost of \$0.06 each. This option allows respondents who choose to fill out a paper version of the survey to return it directly to School Perceptions for processing.
3. **Paper Survey Data Entry & Processing:** School Perceptions will enter all responses and comments for surveys mailed at a rate of \$1.80 per survey. If your district chooses to use the prepaid envelopes, return postage will be charged at the actual rate. The current business reply postal rate is \$0.662 for 1 ounce or less and \$0.76 for 2 ounces.
4. **Comment Analysis:** School Perceptions will read all the comments and identify the prevailing themes gathered via the community survey. A major theme is identified as a result of having multiple participants referencing similar issues or concerns. (\$95 per hour; we will provide a cost estimate based on total comments collected before we begin.)
5. **Additional Data Analysis:** School Perceptions will disaggregate and create reports at \$95 per hour for any crosstabs produced by the survey and/or in-depth comment analyses.
6. **Non-English Translation Service:** School Perceptions can provide translation services to improve survey accessibility for parents/guardians, students, and community members. Conversion to Spanish via software translation is available at no additional cost (images and graphics are not included). Professional translation of a customized survey or translation to other and/or additional languages is \$95 per hour.

If this proposal is acceptable, please sign this page, scan it, and email it to sales@schoolperceptions.com.

Community Survey Proposal Accepted: **Waukeek Community School District**

Signature: _____ Date: _____



WAUNAKEE
COMMUNITY SCHOOL DISTRICT

COST PROPOSAL

A proposal for Professional Auditing Services

Waunakee Community School District

Waunakee, Wisconsin

November 22, 2023

WIPFLI

Brian Anderson, CPA

Partner

608.274.1980

BAnderson@wipfli.com

2501 West Beltline Highway, Suite 401

Madison, WI 53713

608.274.1980

Fax 608.274.8085

www.wipfli.com

Dollar Cost Bid

1. Compensation

(All-inclusive fee per year for a remote audit. Additional charges will apply for any travel costs and time.)

	2024	2025	2026	2027	2028
Financial Audit to meet all State and Federal Requirements	\$24,000	\$25,500	\$27,000	\$28,500	\$30,000
Maintenance of Depreciation – 5 hours	\$750	\$800	\$850	\$900	\$950
Membership Audit, if required	\$6,000	\$6,350	\$6,700	\$7,050	\$7,400

2. Circumstances for increase in fees shown above/services outside the scope

Prior to your referendum, it took us about 5 hours to maintain the depreciation schedule. We expect the hours to increase with the referendum project so we will bill any excess time over the 5 hours quoted above at the staff hourly rate below. In addition, if there are any new bond issuances over the 5-year period, we will calculate the additional time to reconcile those amounts and bill at the quoted staff hourly rate below.

We do not charge any additional fees for routine consultation during the year. The above fee estimates are based upon conducting a “normal” audit of the School District. Should we encounter problems which would affect these fees materially, such as fraud or incomplete records, or should new auditing standards be placed upon us that were not in existence at the time this proposal was written, we would fully discuss the circumstances and potential fee increase with management before proceeding.

3. Hourly Rates for additional services

	2024	2025	2026	2027	2028
Partner	\$350	\$370	\$390	\$410	\$430
Senior Manager	\$300	\$315	\$330	\$345	\$360
Manager	\$250	\$265	\$280	\$295	\$310
Senior	\$200	\$210	\$220	\$230	\$240
Staff	\$150	\$160	\$170	\$180	\$190

4. The person certified to represent the firm, empowered to submit the proposal and authorized to sign a contract with the School District is Brian Anderson, Partner.



Brian Anderson, Partner



Dye, Alexandra <alexandradye@waunakee.k12.wi.us>

Waunakee School District- Energy Tax Credits/179D

Kolker, Douglas <Doug.Kolker@wipfli.com>

Wed, Nov 29, 2023 at 10:06 AM

To: "Dye, Alexandra" <alexandradye@waunakee.k12.wi.us>, "Summers, Steve" <stevesummers@waunakee.k12.wi.us>

Cc: "Anderson, Brian" <BAnderson@wipfli.com>, "Barnes, Steven" <sbarnes@wipfli.com>

Good morning Allie.

On the 179D projects we charge \$.08-\$.15 cents per square foot of the building which is based on size and complexity of the building.

For the Investment Tax Credits (solar, geothermal, etc.) we do not charge on a percentage basis (i.e. Contingency fee) but generally on a time and material not to exceed fee. The cap is based on the budget we develop based on the size and complexity of each project. However, if you wanted to get a sense of the cap it generally ranges between 5-10% of the credit amount.

If projects includes both 179D and Investment Tax Credits we will package them together with a discount.

Please let me know if you have any questions or need more information. We are always available to have a conversation with your board to help them better understand these programs.

Thanks.

Doug Kolker, CPA

Partner

314 480 1324 Office / 314 761 8063 Mobile

Wipfli LLP / 7733 Forsyth Blvd., Suite 1200 Clayton, MO 63105

wipfli.com / [Facebook](#) / [Twitter](#) / [LinkedIn](#)

71

Member of Allinial Global, an association of legally independent firms



[Quoted text hidden]

AGREEMENT FOR ENGINEERING SERVICES

THIS AGREEMENT is entered into between **Waunakee Community School District** (Client) and **Traffic Analysis & Design, Inc.** (Engineer), based upon Client's intention to review the Unusually Hazardous Transportation Plan for existing schools within the Waunakee Community School District, in Dane County, Wisconsin (the Project) and Client's requirement for certain engineering services in connection with the Project (the Services) which Engineer is prepared to provide.

1. Engineer shall provide the Services described in Attachment A, "Scope of Services", according to Attachment A, "Schedule".
2. Client shall pay Engineer in accordance with Attachment A, "Compensation". Invoices shall be due and payable upon receipt. Invoice amounts not paid within 30 days after receipt shall accrue interest at the rate of 1.5% per month (or the maximum rate permitted by law, if less), with payments applied first to accrued interest and then to unpaid principal.
3. The same degree of care, skill, and diligence shall be exercised in the performance of the Services as is ordinarily possessed and exercised by a member of the same profession, currently practicing, under similar circumstances. No other warranty, express or implied, is included in this Agreement or in any drawing, specification, report, opinion, or other instrument of service, in any form or media, produced in connection with the Services.
4. Engineer shall not be liable to Client for any consequential damages resulting in any way from the performance of the Services. To the fullest extent permitted by law, Engineer's liability under this Agreement shall not exceed Engineer's total compensation actually received under this Agreement.
5. Engineer and Client waive all rights against each other for damages covered by property insurance during and after the completion of the Services.
6. Notwithstanding anything to the contrary in any Attachments hereto, Engineer has no responsibility for (a) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the Project; or (b) the failure of any contractor, subcontractor, vendor, or other Project participant, not under contract to Engineer, to fulfill contractual responsibilities to Client or to comply with federal, state, or local laws, regulations, and codes.
7. Engineer does not guarantee that proposals, bids, or actual Project costs will not vary from Engineer's cost estimates or that actual schedules will not vary from Engineer's projected schedules.
8. This Agreement may be terminated upon written notice at Client's convenience or by either party in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. Engineer shall terminate performance of Services on a schedule acceptable to Client, and Client shall pay Engineer for all Services performed and reasonable termination expenses. Paragraphs 4 and 5 shall survive any termination or completion of this Agreement.
9. All documents prepared by Engineer pursuant to this Agreement are instruments of service in respect to the Project. Any use except for the specific purpose intended by this Agreement will be at the user's sole risk and without liability or legal exposure to Engineer. Engineer shall retain its ownership in its data bases, computer software, and other proprietary property. Intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of Engineer.
10. The Services provided for in this Agreement are for the sole use and benefit of Client and Engineer. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Client and Engineer.
11. Any notice required by this Agreement shall be made in writing to the address specified below:
 - Client:** Waunakee Community School District
905 Bethel Circle
Waunakee, WI 53597
 - Attn:** Steve Summers
Executive Director of Operations
 - Engineer:** Traffic Analysis & Design, Inc.
PO Box 128
Cedarburg, WI 53012
 - Attn:** John A. Bieberitz, P.E., PTOE

IN WITNESS WHEREOF, Client and Engineer have executed this Agreement, effective as of December 1, 2023.

Waunakee Area School District (Client)

By: _____

Title: _____

Date: _____

Traffic Analysis & Design, Inc. (Engineer)

By:  _____
John A. Bieberitz, P.E., PTOE
President, TADI

Date: 12/1//23

ATTACHMENT A

SCOPE OF SERVICES

Engineer will evaluate the UHT (Unusually Hazardous Transportation) borders for supplemental areas identified below at existing schools.

Task 1 – Kick-Off Meeting

Engineer will attend a kick-off meeting to discuss the specifics of the supplemental analysis, specific study locations/areas, and review background information provided by the Client.

Task 2 – Preliminary Field Investigation

After the kick-off meeting, Engineer will conduct a preliminary field investigation of the study areas. Representatives from the Village of Waunakee, the school district, bus contractors, and/or law enforcement are invited to participate as the purpose of the preliminary field investigation is to gather local knowledge that will be used in the development of the UHT plan criteria.

Task 3 – Develop Unusually Hazardous Transportation Plan Criteria

Engineer will review characteristics of the Waunakee Area School District and modify criteria used in previously prepared UHT plans, as needed, to evaluate characteristics encountered in the Waunakee Community School District.

Task 4 – Existing Conditions

Engineer will use a combination of existing mapping resources and field investigations to gather and document the pertinent information about select portions of walk-zone study areas for six (6) schools. The six schools include:

- Heritage Elementary School (K-4) – new location: 6271 Woodland Dr.
- Prairie Elementary School (K-4) – 700 North Madison St., Waunakee, WI 53597
- Arboretum Elementary School (K-4) - 1350 Arboretum Dr, Waunakee, WI 53597
- Waunakee Intermediate School (5-6) – 6273 Woodland Dr.
- Waunakee Community Middle School (7-8) – new location: 501 South St.
- Waunakee Community High School (9-12) – 301 Community Dr.

The collected data is expected to include the following information routes/areas per school:

- Age of pupils
- Sidewalk presence
- Crossing guard's presence
- Local law enforcement presence
- Number of traffic lanes
- Railroad crossings
- Width of shoulder of road/highway
- Traffic counts (if available)
- Temporary hazards such as construction projects or street repairs
- Other conditions identified by local units of government, etc.

After all data is collected and documented, Engineer will meet with Client to have a working meeting to discuss the defined problem areas, potential areas of concern, etc.

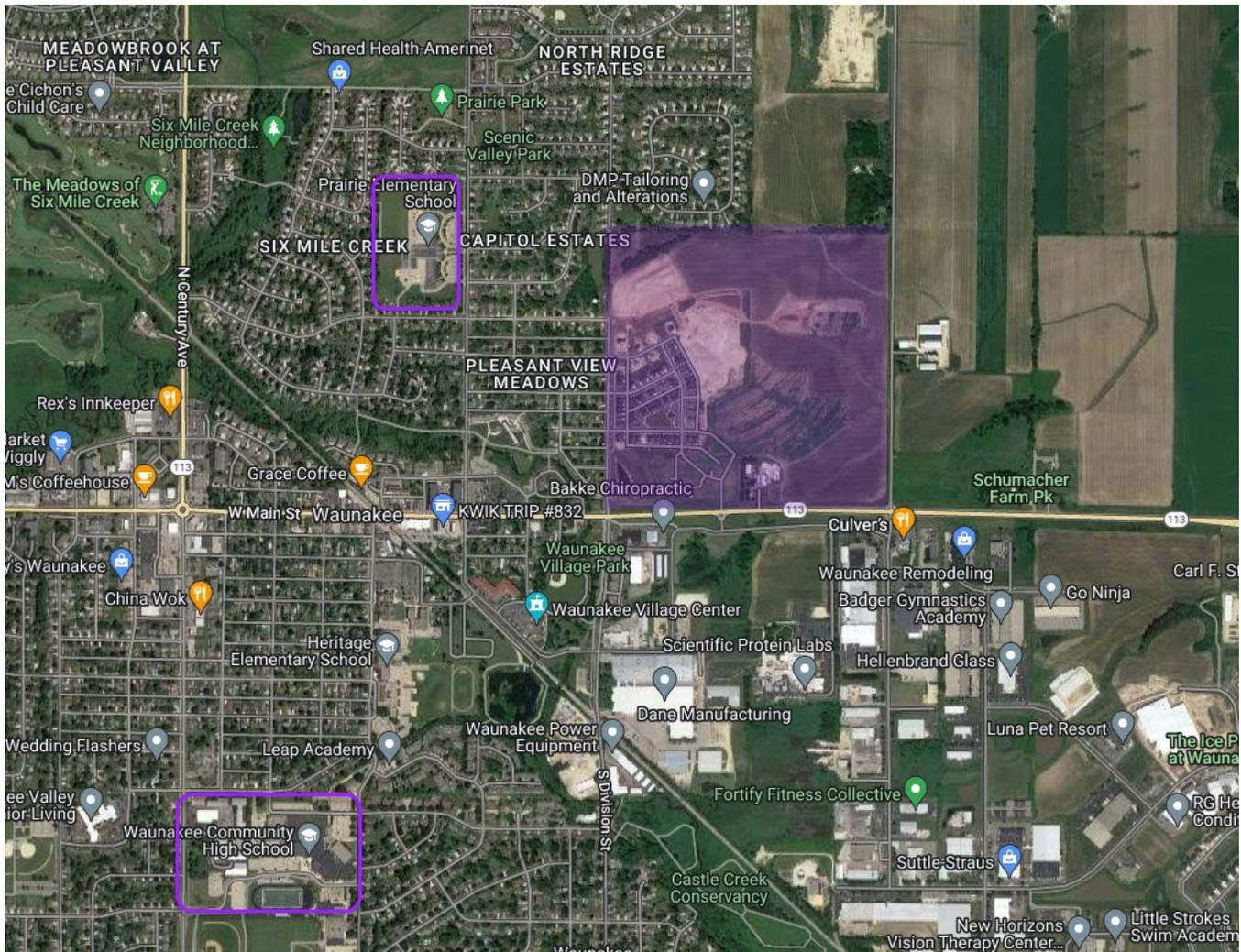
Task 5 – Analysis

Engineer will perform analysis by applying the gathered information to scoring criteria (developed in Task 3) to determine if areas within the walk-zones would result in an encounter with an individual unusual hazard or a combination of them that cumulatively could seriously jeopardize their safety. If an unusual hazard exists, Engineer will document the route/area and provide recommendations for consideration to improve the hazard.

The following seven (7) areas will be analyzed as part of this study.

Analysis Area #1 – Subdivision in NW corner of STH 113 and Schumacher Road

Walking routes to/from the subdivision in the NW corner of STH 113 and Schumacher Road as shown on the map to Prairie Elementary School and the High School will be evaluated.



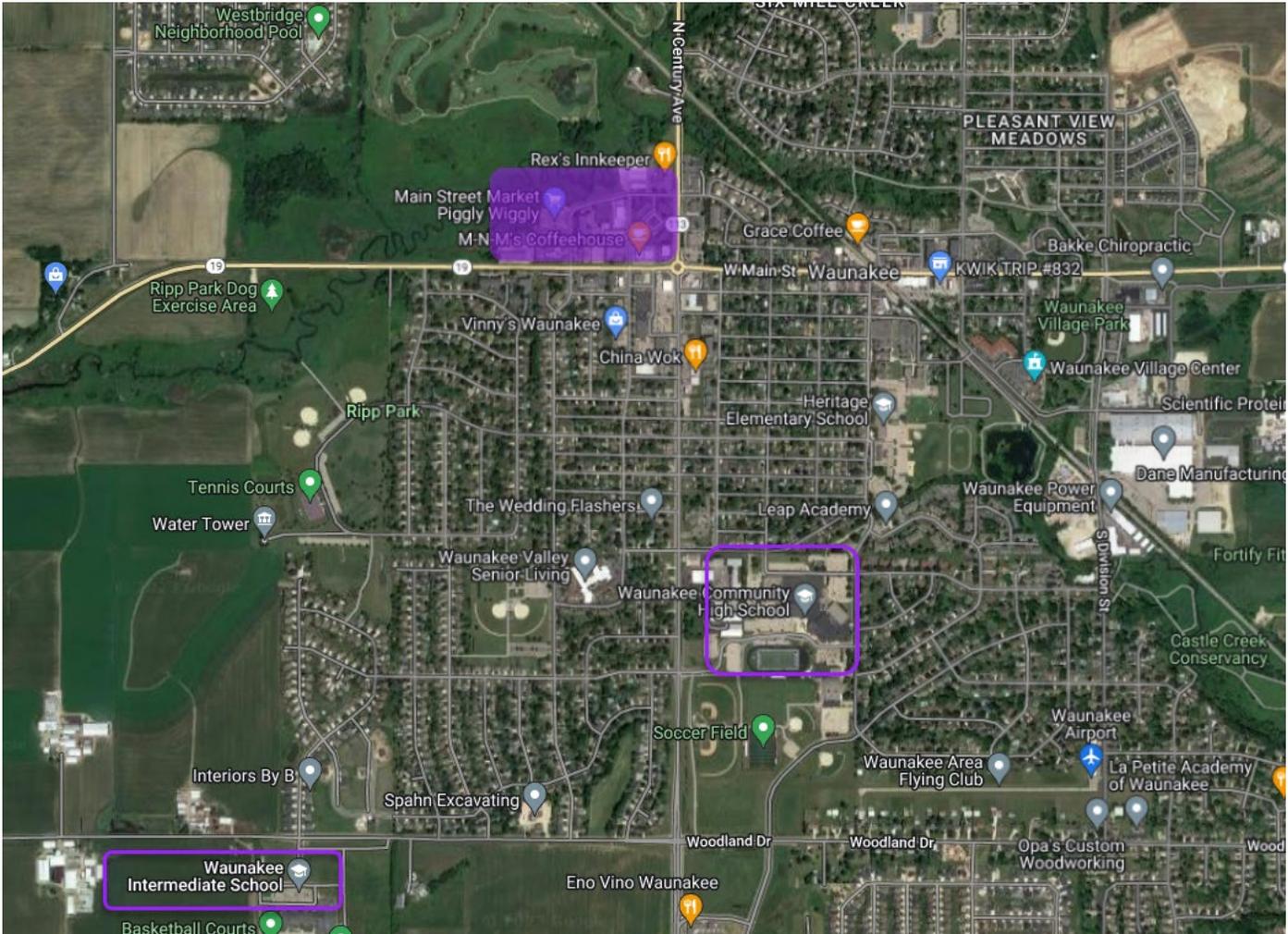
Analysis Area #2 – Subdivision NW Corner of Arboretum Dr. and Hogan Rd.

Walking routes to/from the subdivision in the NW corner of Arboretum Dr. and Hogan Rd. as shown in the map to Arboretum Elementary School will be evaluated.



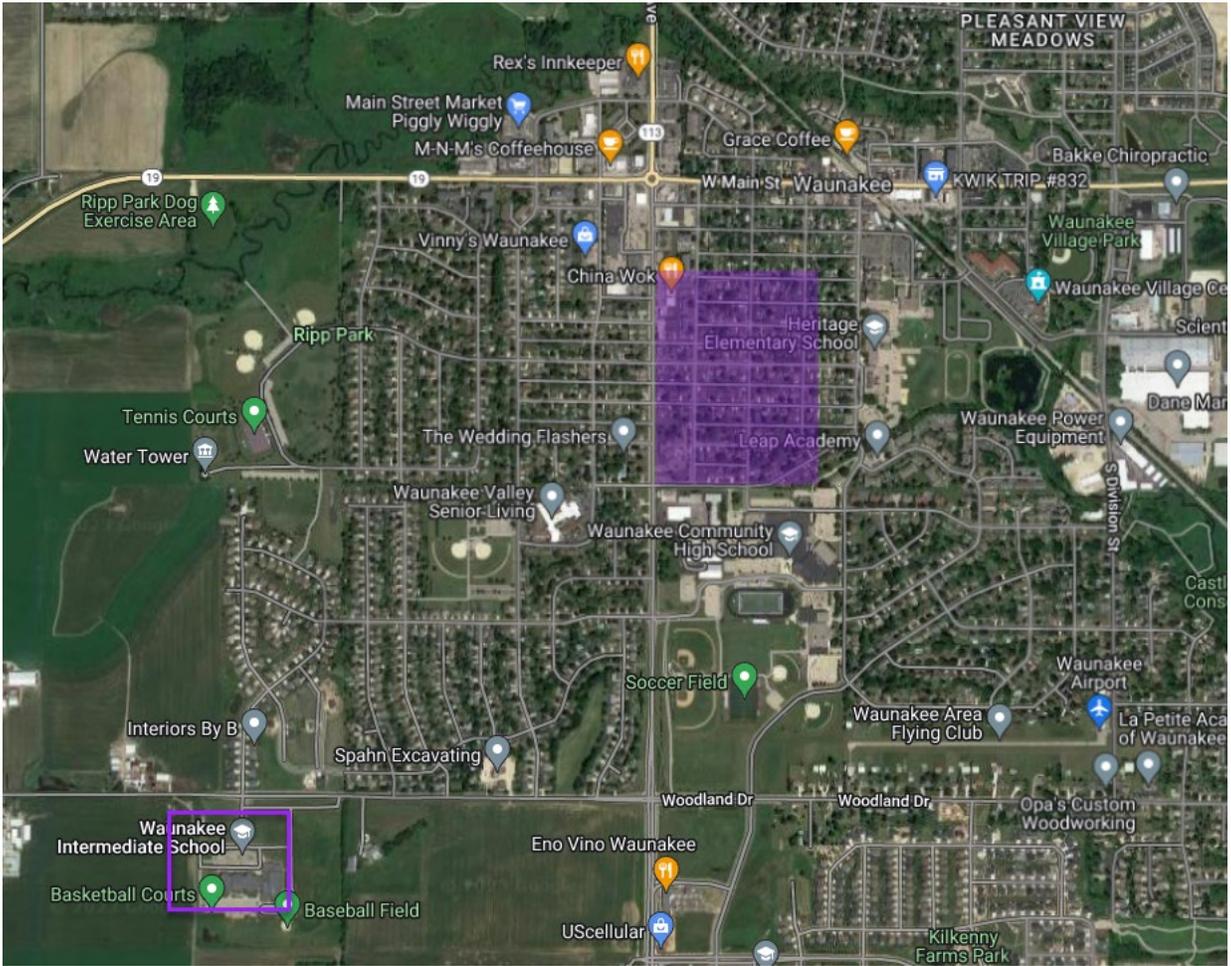
Analysis Area #3 – Apartments in NW Corner of STH 19 and STH 113

Walking routes to/from the apartments the NW corner of STH 19 and STH 13 as shown in the map to the High School and the Intermediate School will be evaluated.



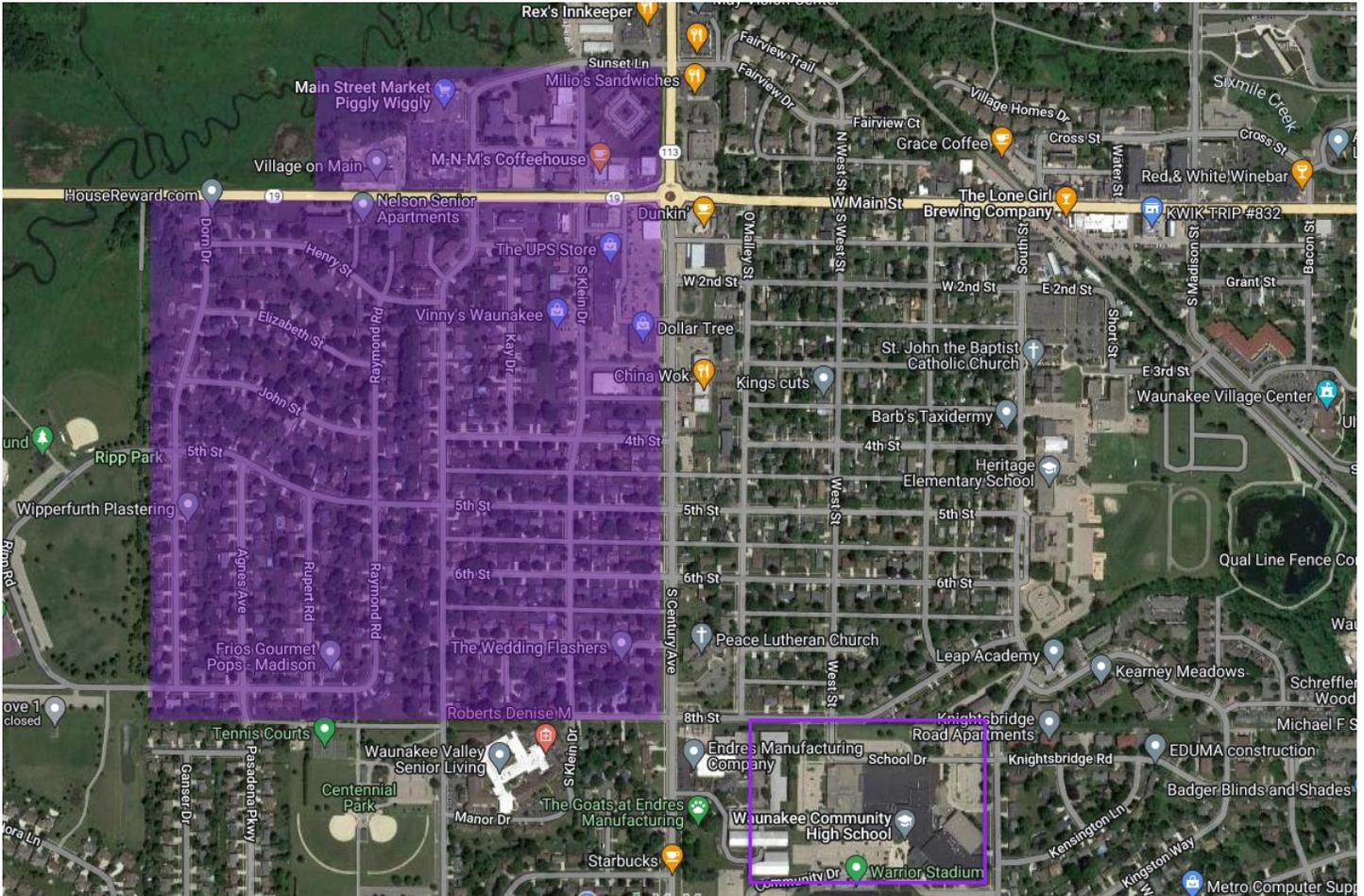
Analysis Area #4 – Neighborhood East of CTH Q (Century Ave.)

Walking routes to/from the neighborhood east of CTH Q (Century Ave.) as shown in the map to the Intermediate School will be evaluated.



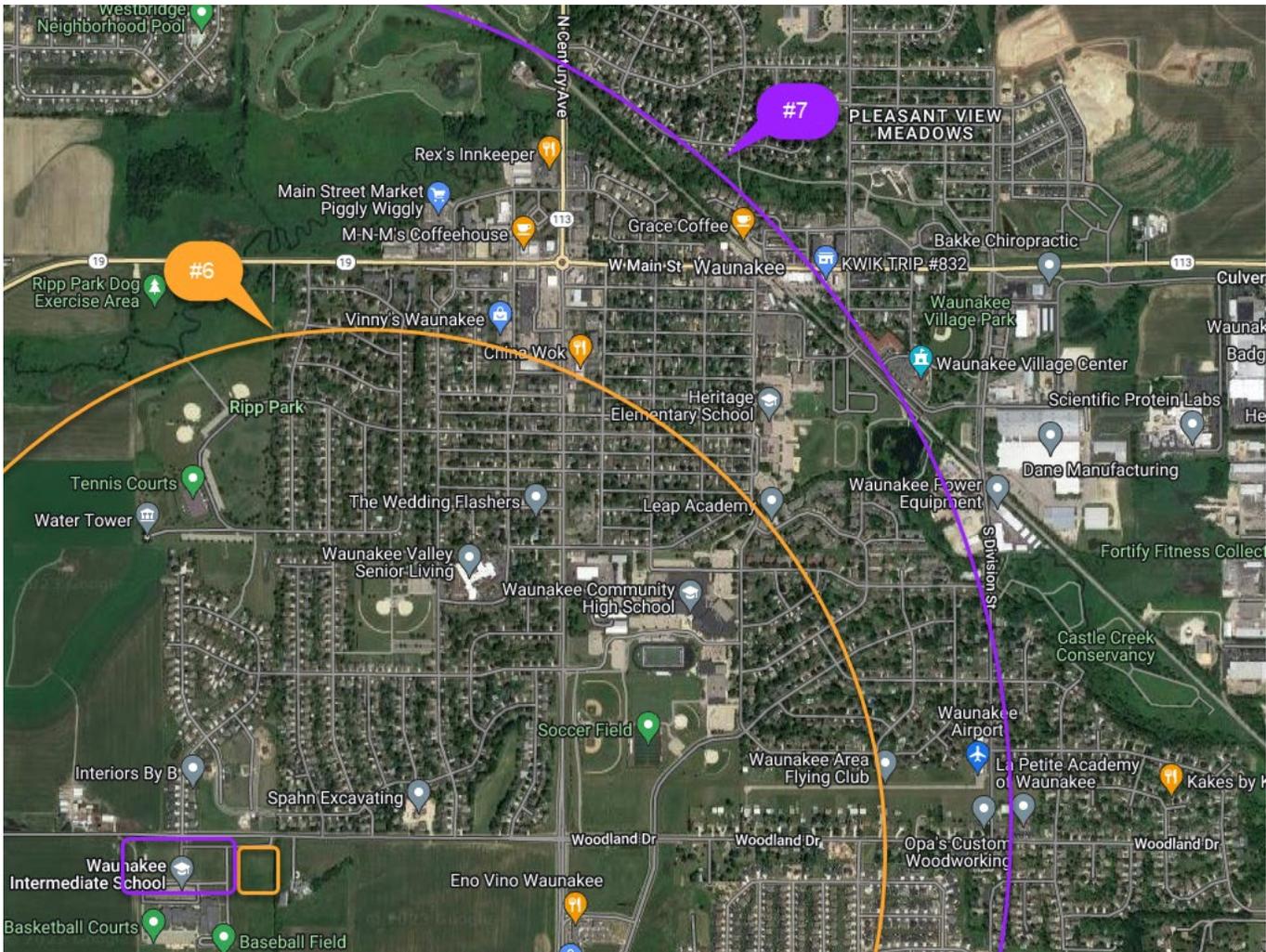
Analysis Area #5 – Neighborhood West of CTH Q (Century Ave.)

Walking routes to/from the neighborhood west of CTH Q (Century Ave.) as shown in the map to the High School will be evaluated.



Analysis Areas #6 & #7 – Heritage Elementary School and Intermediate School Comparison

Walking routes to/from the Intermediate School will be evaluated and compared to the walking limits of the Heritage Elementary School UHT plan. The 1-mile walking limit for the Heritage School will be compared to a 1.75 mile walking distance for the Intermediate School. This analysis will provide clarification to the areas where busing may be available to a Heritage student but not an Intermediate school student and whether the 1.0 and 1.75 limits could be revised.



Task 6 – UHT Plan

Engineer will document the methodology and findings of the study in UHT plan and will attend a meeting with the Client to discuss the findings and results. After receiving comments from the Client, Engineer will finalize the UHT Plan for submittal.

ADDITIONAL WORK

Volume, speed, and turning movement counts are not included in the scope of work and would be considered additional work. After Task 5 is conducted, some locations may benefit by having additional traffic count data and speed data to better evaluate the potential hazards.

Additional analysis or meetings not listed in the scope above will be billed at the following (Year 2023) hourly and mileage rates, subject to change in future years:

- Federal Mileage Rate: 0.655 cents per mile
- Project Manager: \$192.00 per hour
- Senior Engineer: \$141.00 per hour
- Engineer: \$99.00 per hour
- Field Technician: \$84.00 per hour

SCHEDULE

Engineer will complete the analysis and report within twelve weeks of authorization, or sooner if possible.

COMPENSATION

Compensation for the services described above, CLIENT shall pay Engineer a lump sum fee of Thirty Seven Thousand Ninety Five Dollars (\$37,095.00).

All services not cited in Attachment A, Scope of Services, will be conducted as additional services under an Amendment to this Agreement.

AGREEMENT FOR ENGINEERING SERVICES

THIS AGREEMENT is entered into between **Waunakee Community School District** (Client) and **Traffic Analysis & Design, Inc.** (Engineer), based upon Client's intention to develop an Unusually Hazardous Transportation Plan for two new schools within the Waunakee Community School District, in Dane County, Wisconsin (the Project) and Client's requirement for certain engineering services in connection with the Project (the Services) which Engineer is prepared to provide.

1. Engineer shall provide the Services described in Attachment A, "Scope of Services", according to Attachment A, "Schedule".
2. Client shall pay Engineer in accordance with Attachment A, "Compensation". Invoices shall be due and payable upon receipt. Invoice amounts not paid within 30 days after receipt shall accrue interest at the rate of 1.5% per month (or the maximum rate permitted by law, if less), with payments applied first to accrued interest and then to unpaid principal.
3. The same degree of care, skill, and diligence shall be exercised in the performance of the Services as is ordinarily possessed and exercised by a member of the same profession, currently practicing, under similar circumstances. No other warranty, express or implied, is included in this Agreement or in any drawing, specification, report, opinion, or other instrument of service, in any form or media, produced in connection with the Services.
4. Engineer shall not be liable to Client for any consequential damages resulting in any way from the performance of the Services. To the fullest extent permitted by law, Engineer's liability under this Agreement shall not exceed Engineer's total compensation actually received under this Agreement.
5. Engineer and Client waive all rights against each other for damages covered by property insurance during and after the completion of the Services.
6. Notwithstanding anything to the contrary in any Attachments hereto, Engineer has no responsibility for (a) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the Project; or (b) the failure of any contractor, subcontractor, vendor, or other Project participant, not under contract to Engineer, to fulfill contractual responsibilities to Client or to comply with federal, state, or local laws, regulations, and codes.
7. Engineer does not guarantee that proposals, bids, or actual Project costs will not vary from Engineer's cost estimates or that actual schedules will not vary from Engineer's projected schedules.
8. This Agreement may be terminated upon written notice at Client's convenience or by either party in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. Engineer shall terminate performance of Services on a schedule acceptable to Client, and Client shall pay Engineer for all Services performed and reasonable termination expenses. Paragraphs 4 and 5 shall survive any termination or completion of this Agreement.
9. All documents prepared by Engineer pursuant to this Agreement are instruments of service in respect to the Project. Any use except for the specific purpose intended by this Agreement will be at the user's sole risk and without liability or legal exposure to Engineer. Engineer shall retain its ownership in its data bases, computer software, and other proprietary property. Intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of Engineer.
10. The Services provided for in this Agreement are for the sole use and benefit of Client and Engineer. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Client and Engineer.
11. Any notice required by this Agreement shall be made in writing to the address specified below:
 - Client:** Waunakee Community School District
905 Bethel Circle
Waunakee, WI 53597
 - Attn:** Steve Summers
Executive Director of Operations
 - Engineer:** Traffic Analysis & Design, Inc.
PO Box 128
Cedarburg, WI 53012
 - Attn:** John A. Bieberitz, P.E., PTOE

IN WITNESS WHEREOF, Client and Engineer have executed this Agreement, effective as of December 1, 2023.

Waunakee Area School District (Client)

By: _____

Title: _____

Date: _____

Traffic Analysis & Design, Inc. (Engineer)

By:  _____
John A. Bieberitz, P.E., PTOE
President, TADI

Date: 12/1/23

ATTACHMENT A

SCOPE OF SERVICES

Engineer will develop, conduct, and document an Unusually Hazardous Transportation (UHT) Plan for walk-zone areas throughout the Waunakee Community School District. The project consists of the following six tasks.

Task 1 – Kick-Off Meeting

Engineer will attend a project kick-off meeting to discuss the specifics of the project, specific study locations/areas, and review background information provided by the Client.

Task 2 – Preliminary Field Investigation

After the kick-off meeting, Engineer will conduct a preliminary field investigation of the study areas. Representatives from the Village of Waunakee, the school district, bus contractors, and/or law enforcement are invited to participate as the purpose of the preliminary field investigation is to gather local knowledge that will be used in the development of the UHT plan criteria.

Task 3 – Develop Unusually Hazardous Transportation Plan Criteria

Engineer will review characteristics of the Waunakee Area School District and modify criteria used in previously prepared UHT plans, as needed, to evaluate characteristics encountered in the Waunakee Community School District.

Task 4 – Existing Conditions

Engineer will use a combination of existing mapping resources and field investigations to gather and document the pertinent information about walk-zone study areas for two (2) schools. The two schools include:

- Heritage Elementary School (K-4) – new location: 6271 Woodland Dr.
- Waunakee Community Middle School (7-8) – new location: 501 South St.

The collected data is expected to include the following information routes/areas per school:

- Age of pupils
- Sidewalk presence
- Crossing guard's presence
- Local law enforcement presence
- Railroad crossings
- Width of shoulder of road/highway
- Number of travel lanes
- Traffic counts (if available)
- Temporary hazards such as construction projects or street repairs
- Other conditions identified by local units of government, etc.

After all data is collected and documented, Engineer will meet with Client to have a working meeting to discuss the defined problem areas, potential areas of concern, etc.

Task 5 – Analysis

Engineer will perform analysis by applying the gathered information to scoring criteria (developed in Task 3) to determine if areas within the walk-zones would result in an encounter with unusual hazards

that seriously jeopardize their safety. If an unusual hazard exists, Engineer will document the route/area and provide recommendations for consideration to improve the hazard.

Task 6 – UHT Plan

Engineer will document the methodology and findings of the study in UHT plan and will attend a meeting with the Client to discuss the findings and results. After receiving comments from the Client, Engineer will finalize the UHT Plan for submittal.

ADDITIONAL WORK

Volume, speed, and turning movement counts are not included in the scope of work and would be considered additional work. After Task 5 is conducted, some locations may benefit by having additional traffic count data and speed data to better evaluate the potential hazards.

Additional analysis or meetings not listed in the scope above will be billed at the following (Year 2023) hourly and mileage rates, subject to change in future years:

- Federal Mileage Rate: 0.655 cents per mile
- Project Manager: \$192.00 per hour
- Senior Engineer: \$141.00 per hour
- Engineer: \$99.00 per hour
- Field Technician: \$84.00 per hour

SCHEDULE

Engineer will complete the analysis and report within twelve weeks of authorization, or sooner if possible.

COMPENSATION

Compensation for the services described above, CLIENT shall pay Engineer a lump sum fee of Forty-Nine Thousand, Seven-Hundred and Ninety-Six Dollars (\$49,796.00).

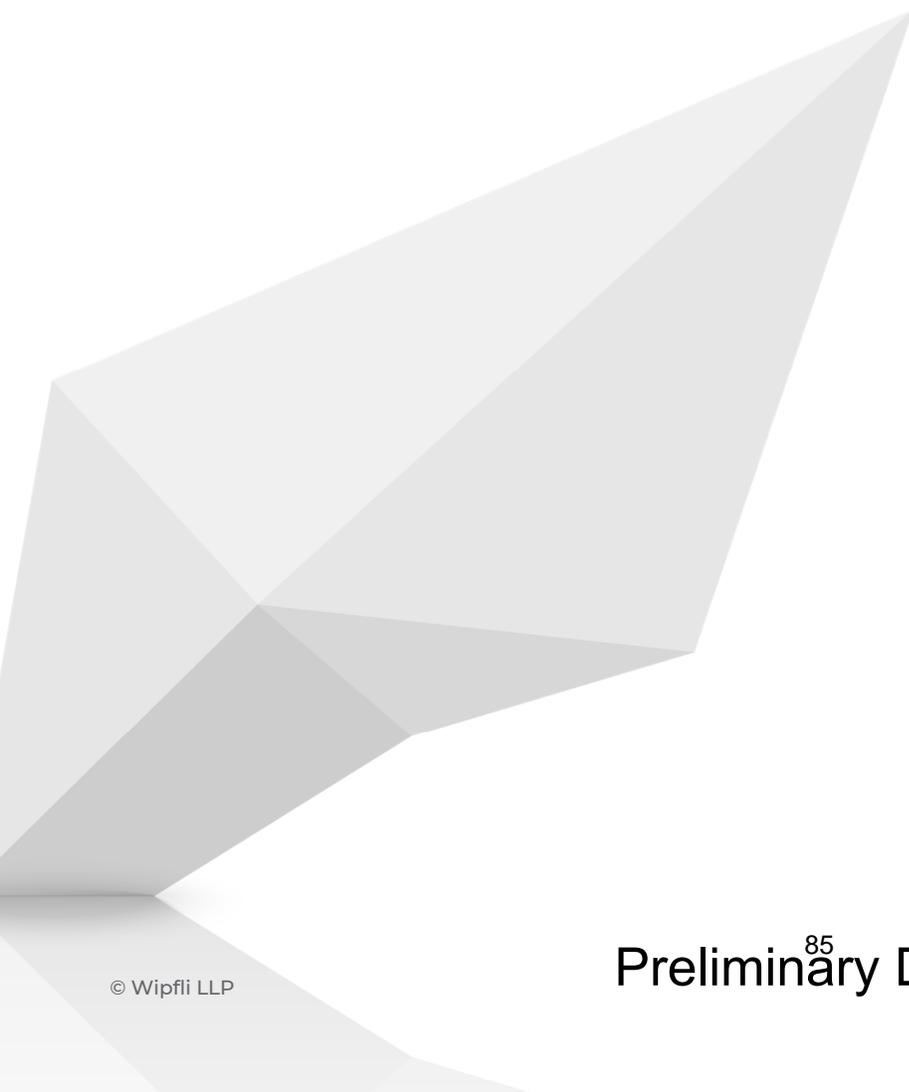
All services not cited in Attachment A, Scope of Services, will be conducted as additional services under an Amendment to this Agreement.

Waunakee Community School District

Waunakee, Wisconsin

Financial Report

Year ended June 30, 2023



Waunakee Community School District

Financial Statements and Supplementary Financial Information

Year Ended June 30, 2023

Table of Contents

Independent Auditor's Report.....	1
Required Supplementary Information	
Management's Discussion and Analysis.....	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position.....	19
Notes to Financial Statements.....	20
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund.....	45
Notes to Budgetary Comparison Schedule- General Fund.....	46
Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.....	48
Schedules of Changes in Net OPEB Liability and Related Ratios.....	54
Schedule of Employer Contributions - OPEB.....	56
Supplementary Financial Information	
Combining Balance Sheet - General Fund.....	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	58
Combining Balance Sheet - Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	60

Waunakee Community School District

Financial Statements and Supplementary Financial Information

Year Ended June 30, 2023

Table of Contents (Continued)

Other Reports

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	61
Independent Auditor’s Report on Compliance for Each Major Federal and State Program and Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines.....	63
Schedule of Expenditures of Federal Awards.....	66
Schedule of State Financial Assistance.....	67
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....	68
Schedule of Findings and Questioned Costs.....	69

Independent Auditor's Report

Board of Education
Waunakee Community School District
Waunakee, Wisconsin

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waunakee Community School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Waunakee Community School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 schedule of changes in the employer's net OPEB liability and related ratios and employer contributions - OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. 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 , 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
Madison, Wisconsin

Waunakee Community School District

Management's Discussion and Analysis

The discussion and analysis of the financial performance of the Waunakee Community School District (the "District") provides an overview of financial activities for the fiscal year ended June 30, 2023. 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 \$58,547,014 at June 30, 2023.
- Total revenues increased to \$82,941,195 in fiscal year 2023, up from \$76,568,169 in fiscal year 2022, an increase of approximately 8.32%.
- Total expenses increased to \$78,209,363 in fiscal year 2023, up from \$64,660,856 in the fiscal year 2022, an increase of 20.95%.

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

- Total fund balances of the District's governmental funds increased \$106,172,627 in fiscal year 2023. This increase included a \$673,277 decrease in the general fund, a \$6,192,526 increase in the debt service fund, a \$100,873,866 increase in the capital projects fund, and a \$220,488 decrease in non-major governmental funds.
- The fund balance for all governmental funds on June 30, 2023 was \$119,800,540. Of this amount, \$59,978 is nonspendable, \$112,291,233 was restricted for common school fund, self-insurance, capital improvements, debt service, special revenue gifts, and community service; \$386,485 was committed; \$1,196,763 was assigned; and \$5,866,081 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

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 Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	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
Required Financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
Type of asset, deferred inflow/outflow of resources, and liability information	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.
Type of inflow and outflow information	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 \$58,547,014, of which \$45,096,836 was net investment in capital assets, \$10,063 was restricted for common school fund, \$502,797 was restricted for self-insurance, \$6,919,940 was restricted for debt service, \$194,047 was restricted for capital improvements, \$1,241,189 was restricted by donors, \$324,265 was restricted for community service, and \$4,257,877 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		
	2023	2022	% Change
Assets			
Current and other assets	\$ 133,260	\$ 38,392	247.10%
Capital assets	100,892	95,038	6.16%
Total assets	234,152	133,430	75.49%
Deferred Outflows of Resources	37,568	29,297	28.23%
Liabilities			
Long-term liabilities	175,992	61,922	184.22%
Other liabilities	15,071	10,427	44.54%
Total liabilities	191,063	72,349	164.09%
Deferred Inflows of Resources	22,110	36,563	-39.53%
Net Position as restated			
Net investment in capital assets	45,097	41,742	8.04%
Restricted	9,192	19,759	-53.48%
Unrestricted	4,258	(7,686)	-155.40%
Total Net Position	<u>\$ 58,547</u>	<u>\$ 53,815</u>	8.79%

The largest portion, approximately 77% or \$45.1 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

DISTRICT-WIDE FINANCIAL STATEMENTS (continued)

Changes in Net Position

Table 3 demonstrates that on a district-wide basis the District ended fiscal year 2023 with an increase in net position of \$4,731,832 compared to an increase of \$11,907,313 in fiscal year 2022.

The district received \$82,941,195 in revenue for the fiscal year 2023. The District relies primarily on property taxes (46.5% of total governmental revenues), and state equalization aid (32.7%) to fund governmental activities. The District received approximately 18.0% 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 7.6% 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 \$9,000,907. Operating grants include ESEA, IDEA, and State Special Education Aid.

In the fiscal year ended 2023, the District spent \$78,209,363 as compared to \$64,660,856 in 2022, for an increase of \$13.5 million.

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

REVENUES	Governmental Activities		
	2023	2022	% Change
Program revenues			
Charges for services	\$ 5,908	\$ 5,983	-1.25%
Operating grants & contributions	9,001	6,618	36.01%
General revenues			
Property taxes	38,556	37,434	3.00%
General aid	27,128	25,871	4.86%
Other	2,348	662	254.68%
Total revenues	82,941	76,568	8.32%
EXPENSES			
Instruction	40,267	33,291	20.95%
Pupil and instructional services	8,194	7,298	12.28%
Administrative services	22,183	18,974	16.91%
Interest on debt	3,937	2,055	91.58%
Other	3,628	3,043	19.22%
Total expenses	78,209	64,661	20.95%
Change in Net Position	\$ 4,732	\$ 11,907	-60.26%

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 \$78,209,363. Individuals who directly participated or benefited from a program offering paid \$5,907,824 of costs. Federal and state governments subsidized certain programs with grants and contributions of \$9,000,907. The net cost of governmental activities, \$63,300,632 was financed by \$38,555,555 of property taxes and \$27,128,107 of state general aid.

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

EXPENSES	Total Cost of Services	Net Cost of Services
Instruction	\$ 40,267	\$ (29,101)
Pupil and instructional services	8,194	(7,670)
Administrative services	22,183	(19,371)
Interest on debt	3,937	(3,753)
Other	3,628	(3,406)
Total expenses	\$ 78,209	\$ (63,301)

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 \$119,800,540, up from last year’s ending fund balance of \$13,627,913. The District’s unassigned fund balance, available for spending at the district’s discretion was \$5,866,081.

The General Fund is the chief operating fund of the District. During the current fiscal year, the general fund saw a fund balance decrease of \$673,277.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s original budget for the general fund anticipated that expenditures and other financing uses would equal revenues. The amended budget anticipated revenues exceeding expenditures and other financing uses by \$418,497. The actual results for the year ended June 30, 2023 had expenditures and other financing uses in excess of revenues by \$673,277.

Waunakee Community School District

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the June 30, 2023, the District had \$161,760,872 in capital assets, including land, construction in progress, buildings and improvements, and furniture and equipment. Total accumulated depreciation on these assets was \$60,868,991. Asset acquisitions for governmental activities totaled \$9,099,481. The District recognized depreciation expense of \$3,244,600. Detailed information about capital assets can be found in Note 4 to the financial statements.

Table 5
Capital Assets
(in thousands of dollars)

	2023	2022
Land	\$ 2,725	\$ 2,725
Construction in progress	8,488	-
Buildings and improvements	142,119	141,684
Furniture and equipment	8,429	8,253
Accumulated depreciation	(60,869)	(57,624)
Net capital assets	\$ 100,892	\$ 95,038

Long-Term Debt

At June 30, 2023, the District had \$154,760,000 in general obligation debt outstanding—an increase of \$103,535,000 from fiscal year 2022. 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)

	2023	2022
General obligation debt	\$ 157,240	\$ 53,270
Capital leases	42	83
Compensated absences	3,168	3,233
Net pension liability	9,857	-
Other postemployment benefits	5,685	5,336
Net long-term obligations	\$ 175,992	\$ 61,922

Waunakee Community School District

Management's Discussion and Analysis

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The School Board approved in August of 2022 two referendum questions for the public to consider on November 8th, 2022. The first question was an operational referendum question, on a non-recurring basis as follows: 2022-23 \$1 million, 2023-24 \$3 million, 2024-25 \$6 million. The second question was a capital referendum question for \$175 million that included the following: construction of a new Heritage Elementary at a district owned site, construction of a new Middle School at the former Heritage Elementary site, specific renovation projects at the Waunakee High School, Teaching and Learning Center, and Administrative offices, and districtwide maintenance projects. Both referendum questions were approved by the public.
- 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 were COVID related school reopening costs. These funds were utilized for continuing COVID related costs in the 2022-23 school year as well as operational costs of the district.
- The district has borrowed a portion of the \$175 million authorized in the November 2022 capital referendum question. The first borrowing took place in December 2022 (\$9.9 million) and the second borrowing took place in January of 2023 (\$99 million). The remaining balance is anticipated to be borrowed during the 2024-25 fiscal year.
- The construction of the new Heritage Elementary School will be completed by September 1, 2024. The construction of the new Middle School will start in July 2024 and will conclude by September 1, 2026.
- The district will be planning a November 2024 operational referendum question designed to replace the operational referendums approved in November 2020 and November 2022.

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 any of the individuals below at (608) 849-2000:

- Randy Guttenberg, District Superintendent - randyguttenberg@waunakee.k12.wi.us
- Steve Summers, Executive Director of Operations - stevesummers@waunakee.k12.wi.us
- Alexandra Dye, Director of Business Services - alexandradye@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.

Government-Wide Financial Statements

Waunakee Community School District

Statement of Net Position

June 30, 2023

	Governmental
<i>Assets and Deferred Outflows of Resources</i>	Activities
Current assets:	
Cash and investments	\$ 121,575,039
Accounts receivable	10,290,743
Prepaid items	59,978
Due from other governments	1,334,524
Total current assets	133,260,284
Noncurrent assets:	
Capital assets not being depreciated	11,212,995
Capital assets being depreciated, net	89,678,886
Total noncurrent assets	100,891,881
Total assets	234,152,165
Deferred outflows of resources - Related to pensions/OPEB	37,568,317
Total assets and deferred outflows of resources	\$ 271,720,482
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Short-term notes payable	\$ 8,700,000
Accounts payable	3,015,540
Accrued payroll	914,486
Accrued interest	1,908,090
Due to fiduciary fund	400,577
Unearned revenue	132,717
Current portion of long-term obligations	8,723,232
Total current liabilities	23,794,642
Noncurrent liabilities:	
Due in more than one year	167,268,611
Total liabilities	191,063,253
Deferred inflows of resources - Related to pensions/OPEB	22,110,215
Net position:	
Net investment in capital assets	45,096,836
Restricted	9,192,301
Unrestricted	4,257,877
Total net position	58,547,014
Total liabilities, deferred inflows of resources, and net position	\$ 271,720,482

See accompanying notes to the financial statements.

Waunakee Community School District

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ 27,042,149	\$ 2,572,057	\$ 1,347,364	\$ (23,122,728)
Vocational instruction	2,124,926	-	21,991	(2,102,935)
Special education instruction	7,581,285	-	6,214,254	(1,367,031)
Other instruction	3,519,066	499,259	511,726	(2,508,081)
Total instruction	40,267,426	3,071,316	8,095,335	(29,100,775)
Support services:				
Pupil services	3,599,742	-	391,033	(3,208,709)
Instructional staff services	4,594,093	-	133,087	(4,461,006)
General administration	1,477,749	-	-	(1,477,749)
Building administration	4,424,548	-	-	(4,424,548)
Business services	16,281,172	2,755,296	56,885	(13,468,991)
Central services	117,938	-	-	(117,938)
Insurance	412,612	-	-	(412,612)
Other support services	3,097,456	81,212	140,719	(2,875,525)
Interest	3,936,627	-	183,848	(3,752,779)
Total support services	37,941,937	2,836,508	905,572	(34,199,857)
Total school district	\$ 78,209,363	\$ 5,907,824	\$ 9,000,907	(63,300,632)
General revenues:				
Property taxes:				
General purposes				24,818,251
Debt service				13,342,804
Community service				394,500
State and federal aids not restricted to specific functions				27,128,107
Interest and investment earnings				1,804,409
Miscellaneous				544,393
Total general revenues				68,032,464
Change in net position				4,731,832
Net position - Beginning of year				53,815,182
Net position - End of year				\$ 58,547,014

See accompanying notes to the financial statements.

Fund Financial Statements

Waunakee Community School District

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 7,528,767	\$8,531,606	\$103,954,343	\$ 1,560,323	\$121,575,039
Receivables:					
Accounts	184,054	-	232,937	104,936	521,927
Taxes	9,768,816	-	-	-	9,768,816
Prepaid items	33,635	-	-	26,343	59,978
Due from other governments	1,317,343	-	-	17,181	1,334,524
Total assets	\$18,832,615	\$8,531,606	\$104,187,280	\$ 1,708,783	\$133,260,284
Liabilities:					
Short-term notes payable	\$ 8,700,000	\$ -	\$ -	\$ -	\$ 8,700,000
Accounts payable	448,651	-	2,505,967	60,922	3,015,540
Accrued payroll	893,748	-	-	20,738	914,486
Accrued interest	296,424	-	-	-	296,424
Due to other funds	400,577	-	-	-	400,577
Unearned revenue	71,048	-	-	61,669	132,717
Total liabilities	10,810,448	-	2,505,967	143,329	13,459,744
Fund balances:					
Nonspendable	33,635	-	-	26,343	59,978
Restricted	512,860	8,531,606	101,681,313	1,565,454	112,291,233
Committed	386,485	-	-	-	386,485
Assigned	1,196,763	-	-	-	1,196,763
Unassigned	5,892,424	-	-	(26,343)	5,866,081
Total fund balances	8,022,167	8,531,606	101,681,313	1,565,454	119,800,540
Total liabilities and fund balances	\$18,832,615	\$8,531,606	\$104,187,280	\$ 1,708,783	\$133,260,284

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, 2023

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

Total fund balances - Governmental funds		\$ 119,800,540
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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	\$ 161,760,872	
Governmental accumulated depreciation	(60,868,991)	100,891,881

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 liability	(9,856,617)	
Net OPEB liability	(5,684,822)	
Deferred outflows of resources related to pensions/OPEB	37,568,317	
Deferred inflows of resources related to pensions/OPEB	(22,110,215)	(83,337)

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	(154,760,000)	
Obligations under contracts payable	(42,691)	
Unamortized premiums	(2,479,620)	
Accrued interest	(1,611,666)	
Compensated absences	(3,168,093)	(162,062,070)

Total net position - Governmental activities		\$ 58,547,014
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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, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 24,818,251	\$ 13,342,804	\$ -	\$ 394,500	\$ 38,555,555
Other local sources	1,322,783	21,341	1,257,201	4,055,728	6,657,053
Interdistrict sources	2,023,803	-	-	178,819	2,202,622
Intermediate sources	18,642	-	-	-	18,642
State sources	30,648,658	-	-	-	30,648,658
Federal sources	4,232,603	-	-	139,762	4,372,365
Other sources	300,858	183,848	-	1,594	486,300
Total revenues	63,365,598	13,547,993	1,257,201	4,770,403	82,941,195
Expenditures:					
Instruction:					
Regular instruction	25,986,416	-	-	65,832	26,052,248
Vocational instruction	2,102,881	-	-	5,219	2,108,100
Special instruction	7,320,705	-	-	224	7,320,929
Other instruction	2,501,501	-	-	817,614	3,319,115
Total instruction	37,911,503	-	-	888,889	38,800,392
Support services:					
Pupil services	3,587,958	-	-	11,784	3,599,742
Instructional staff services	4,139,098	-	-	316,575	4,455,673
General administration	1,336,265	-	-	-	1,336,265
Building administration	4,134,442	-	-	116,408	4,250,850
Business services	9,469,251	-	9,306,902	3,182,351	21,958,504
Central services	86,442	-	-	27,160	113,602
Insurance	353,714	-	56,433	2,465	412,612
Other support services	2,381,899	-	-	649,565	3,031,464
Total support services	25,489,069	-	9,363,335	4,306,308	39,158,712
Debt service:					
Principal	40,139	5,445,000	-	-	5,485,139
Interest	393,858	2,644,600	-	-	3,038,458
Total debt service	433,997	8,089,600	-	-	8,523,597
Total expenditures	63,834,569	8,089,600	9,363,335	5,195,197	86,482,701
Excess of revenues over (under) expenditures	(468,971)	5,458,393	(8,106,134)	(424,794)	(3,541,506)
Other financing sources:					
Issuance of bonds	-	-	108,980,000	-	108,980,000
Bond premiums	-	734,133	-	-	734,133
Transfers in (out)	(204,306)	-	-	204,306	-
Total other financing sources	(204,306)	734,133	108,980,000	204,306	109,714,133
Net change in fund balances	(673,277)	6,192,526	100,873,866	(220,488)	106,172,627
Fund balances - Beginning of year	8,695,444	2,339,080	807,447	1,785,942	13,627,913
Fund balances - End of year	\$ 8,022,167	\$ 8,531,606	\$ 101,681,313	\$ 1,565,454	\$ 119,800,540

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, 2023

Net change in fund balances - Governmental funds (from previous page) \$ 106,172,627

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	\$ 9,099,481
Depreciation expense reported in the statement of activities	(3,244,600)

Amount by which capital outlays are less than depreciation in the current year 5,854,881

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 (2,168,513)

The issuance of long-term debt provides current financial resources to governmental funds but increase long-term liabilities in the statement of net position
Bond proceeds (109,714,133)

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	5,485,139
Change in accrued interest	(1,198,045)
Amortization of discounts and premiums	299,876

Change in net position - Governmental activities \$ 4,731,832

See accompanying notes to the financial statements.

Waunakee Community School District

Statement of Fiduciary Net Position

June 30, 2023

	Employee Benefit Trust	
Assets:		
Cash and investments	\$	8,105,081
Accounts receivable		15,468
Due from other funds		400,577
Total assets	\$	8,521,126
Net position:		
Restricted for OPEB	\$	3,216,347
Restricted for pension		5,304,779
Total net position	\$	8,521,126

See accompanying notes to the financial statements.

Waunakee Community School District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

		Employee Benefit Trust
<hr/>		
Additions:		
Contributions	\$	894,273
Investment income		264,158
<hr/>		
Total additions		1,158,431
<hr/>		
Deductions:		
Retiree benefit payments		527,069
<hr/>		
Total deductions		527,069
<hr/>		
Change in net position		631,362
<hr/>		
Net position - Beginning of year		7,889,764
<hr/>		
Net position - End of year	\$	8,521,126
<hr/> <hr/>		

See accompanying notes to the financial statements.

Waunakee Community School District

Notes to Financial Statements

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

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.
- Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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."

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the district-wide and the fund financial statements.

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

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.

Contracts Payable

Contracts that transfer ownership of an asset to the District by the end of the contract and do not contain termination options are reported as a financed purchase of the underlying asset by the District.

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.

Waunakee Community School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Pensions - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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 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.

Waunakee Community School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances

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

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

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

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

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

Preliminary Draft

Waunakee Community School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. 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.

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, 2023 were as follows:

	Amount	Fair Value Level	Average Maturity
Deposits with financial institutions	\$ 20,938,806	N/A	N/A
Investments:			
Wisconsin Investment Series Cooperative	19,375,719	N/A	<30 days average
US Treasury Bills	77,827,565	Level 2	<12 months
Wisconsin Local Government Investment Pool	3,432,948	N/A	<30 days average
Corporate bonds	4,457,795	Level 2	<12 months
Mortgage and asset-backed securities	1,458,915	Level 1	<12 months
Direct commercial mortgages	1,377,864	Level 1	<12 months
Other equity investments	810,508	Level 1	<12 months
Total	\$ 129,680,120		

Waunakee Community School District

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

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	\$ 121,575,039
Fiduciary fund statement of net position	
Cash and investments	8,105,081
<hr/>	
Total	\$ 129,680,120

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, 2023, the District's bank balance of \$21,849,942 was not exposed to custodial credit risk as follows: \$250,000 was covered by FDIC insurance, \$400,000 was covered by the State of Wisconsin, and \$21,199,942 was covered by a line of credit held by the Federal Home Loan Bank of Chicago.

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.

Waunakee Community School District

Notes to Financial Statements

Note 4: Capital Assets

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,724,693	\$ -	\$ -	\$ 2,724,693
Construction in progress	-	8,488,302	-	8,488,302
<hr/>				
Total capital assets not being depreciated	2,724,693	8,488,302	-	11,212,995
Capital assets being depreciated:				
Building	141,683,543	435,255	-	142,118,798
Furniture & Equipment	8,253,155	175,924	-	8,429,079
<hr/>				
Total capital assets being depreciated	149,936,698	611,179	-	150,547,877
<hr/>				
Less accumulated depreciation	(57,624,391)	(3,244,600)	-	(60,868,991)
<hr/>				
Total capital assets, being depreciated - Net of accumulated depreciation	92,312,307	(2,633,421)	-	89,678,886
<hr/>				
Governmental activities capital assets - Net	\$ 95,037,000	\$ 5,854,881	\$ -	\$ 100,891,881

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 20,931
Vocational instruction	16,826
Other instruction	16,449
Administrative services	5,420
Instructional staff services	2,264
Other support services	65,992
Building Administrative Services	3,116,718
<hr/>	
Total depreciation for governmental activities	\$ 3,244,600

Waunakee Community School District

Notes to Financial Statements

Note 5: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2023, are as follows:

Due From:	Due To: Employee Benefit Trust
General Fund	\$ 400,577

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.

Note 6: Short-Term Notes Payable

The District issues tax anticipation notes in advance of property tax collections. The note dated October 28, 2021 matured on October 28, 2022, with an interest rate of 1.50%. The note dated October 27, 2022 matures on September 27, 2023, with an interest rate of 5.00% Interest for the year ended June 30, 2023 was \$393,858. Short-term debt activity for the year ended June 30, 2023 was as follows:

Description	Balance 07/01/22	Additions	Payments	Balance 06/30/23
Promissory note dated October 28, 2021	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -
Promissory note dated October 27, 2022	-	8,700,000	-	8,700,000
Total	\$ 8,000,000	\$ 8,700,000	\$ 8,000,000	\$ 8,700,000

Waunakee Community School District

Notes to Financial Statements

Note 7: Long-Term Obligations

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23	Amounts Due Within One Year
Bonds	\$ 51,225,000	\$ 108,980,000	\$ 5,445,000	\$ 154,760,000	\$ 8,700,000
Deferred amounts:					
Premium	2,045,363	734,133	299,876	2,479,620	-
Subtotals	53,270,363	109,714,133	5,744,876	157,239,620	8,700,000
Net Pension Liability	-	9,856,617	-	9,856,617	-
Net OPEB Liability	5,336,136	348,686	-	5,684,822	-
Contracts Payable	82,830	-	40,139	42,691	23,232
Compensated Absences	3,232,640	-	64,547	3,168,093	-
Totals	\$ 61,921,969	\$ 119,919,436	\$ 5,849,562	\$ 175,991,843	\$ 8,723,232

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.

General obligation debt at June 30, 2023 is comprised of the following individual issues:

	Governmental Activities				Balance 06/30/23
	Issue Dates	Interest Rates %	Dates of Maturity	Original amounts	
G.O. QSCB bonds	10/04/10	5.00%	04/01/24	\$ 3,800,000	\$ 420,000
GO Refunding Bonds	11/07/11	2.15-4.00%	04/01/25	4,475,000	2,260,000
GO Refunding Bonds	04/03/13	2.00-2.50%	03/01/25	9,515,000	2,660,000
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	29,500,000
GO Refunding Bonds	02/04/16	1.00-2.00%	04/01/26	9,995,000	2,920,000
GO Improvement Bonds	12/29/22	4.00%	04/01/42	9,980,000	9,980,000
GO Promissory Notes	02/01/23	3.25-6.00%	04/01/28	99,000,000	99,000,000
Total general obligation debt				\$ 181,555,000	\$ 154,760,000

Waunakee Community School District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$4,195,442,477. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Debt limit (10% of \$4,195,442,477)	\$ 419,544,248
Deduct:	
Long-term debt applicable to debt margin	(154,760,000)
Add:	
Debt service fund assets available	8,531,606
<hr/>	
Margin of indebtedness	\$ 273,315,854
<hr/>	

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

<i>Year Ended June 30:</i>	Bonds Payable		Contracts Payable	
	Principal	Interest	Principal	Interest
2024	\$ 8,700,000	\$ 6,004,106	\$ 23,232	\$ 2,171
2025	5,910,000	4,904,620	19,459	693
2026	6,165,000	4,674,744	-	-
2027	6,530,000	4,396,344	-	-
2028	102,730,000	4,200,444	-	-
2029-2033	11,560,000	3,668,319	-	-
2034-2038	7,120,000	1,967,438	-	-
2039-2042	6,045,000	616,800	-	-
Totals	\$ 154,760,000	\$ 30,432,815	\$ 42,691	\$ 2,864

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, 2023 \$1,970,000 of debt outstanding is considered defeased.

Waunakee Community School District

Notes to Financial Statements

Note 8: Net Position

Net position reported on the government wide statement of net position at June 30, 2023:

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$ 11,212,995
Other capital assets, net of accumulated depreciation	89,678,886
Less: Related long-term debt outstanding (net of unspent proceeds)	(55,795,045)

Total net investment in capital assets	45,096,836
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Restricted:

Common school fund	\$ 10,063
Self-insurance	502,797
Debt service	6,919,940
Capital improvements	194,047
Special revenue gifts	1,241,189
Community services	324,265

Total restricted	9,192,301
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Unrestricted	4,257,877
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Governmental activities net position	\$ 58,547,014
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Waunakee Community School District

Notes to Financial Statements

Note 9: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2023:

Nonspendable Fund Balance

Prepaid items	\$ 59,978
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Restricted Fund Balance

Common school fund	\$ 10,063
Self-insurance	502,797
Debt service	8,531,606
Capital improvements	101,681,313
Special revenue gifts	1,241,189
Community services	324,265

Total restricted fund balance	\$ 112,291,233
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Committed Fund Balance

Band uniform and parking lot replacement	\$ 386,485
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Assigned Fund Balance

Allocate unspent funds for next fiscal year	\$ 1,196,763
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Unassigned Fund Balance

General fund	\$ 5,892,424
Food services	(26,343)

Total unassigned fund balance	\$ 5,866,081
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Waunakee Community School District

Notes to Financial Statements

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective 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

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
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	0.0 %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %

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 \$2,319,945 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, 2023, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2023, the District reported an liability of \$9,856,617 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.18605452%, which was an increase of 0.00302975% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$5,004,192.

At June 30, 2023, 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	\$ 15,698,537	\$ 20,624,353
Net differences between projected and actual earnings on pension plan investments	16,744,117	-
Change in assumptions	1,938,218	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,529	33,993
Employer contributions subsequent to the measurement date	1,341,699	-
Total	\$ 35,726,100	\$ 20,658,346

Waunakee Community School District

Notes to Financial Statements

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

\$1,341,699 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, 2024. 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
2024	\$ 563,191
2025	2,837,845
2026	2,911,934
2027	7,413,085

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2022
Experience study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based on an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022, is based on a rollforward of the liability calculated from the December 31, 2021, 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, 2022

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	48.0%	7.6%	5.0%
Fixed income	25.0%	5.3%	2.7%
Inflation sensitive assets	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
Total core fund	115.0%	7.4%	4.8%
Variable fund:			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
Total variable fund	100.0%	7.7%	5.1%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

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

Waunakee Community School District

Notes to Financial Statements

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

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension (asset) calculated using the discount rate of 6.80%, 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 (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 32,713,791	\$ 9,856,617	\$ (5,867,158)

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, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Waunakee Community School District

Notes to Financial Statements

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, 2022, the date of the latest actuarial valuation, there were 488 active plan members and 70 inactive plan members eligible to receive 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, 2022
Measurement date	June 30, 2023
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	2.25%
Healthcare cost trend rates	8.90% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50% and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	Wisconsin 2020 Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

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, 2023.

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, 2022	\$ 8,595,623	\$ 3,259,487	\$ 5,336,136
Changes for the year:			
Service cost	494,433	-	494,433
Interest	185,668	-	185,668
Differences between expected and actual experience	627,269	-	627,269
Contributions - Employee	-	912,701	(912,701)
Net investment income	-	46,030	(46,030)
Benefit payments	(1,181,825)	(1,181,825)	-
Adjustment	-	(47)	47
Net changes	125,545	(223,141)	348,686
Balances at June 30, 2023	\$ 8,721,168	\$ 3,036,346	\$ 5,684,822

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	\$ 6,180,965	\$ 5,684,822	\$ 5,205,925

Waunakee Community School District

Notes to Financial Statements

Note 11: Other Postemployment Benefits (Continued)

The following presents the District's net OPEB liability calculated using the health care cost trend rate of 8.90% decreasing to 4.5%, 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 (7.90% decreasing to 3.5%) or 1 percentage point higher (9.90% decreasing to 5.5%) than the current rate:

	1% Decrease (7.9% in Year 1 then 5.5% decreasing to 3.5%)		Health Care Cost Trend Rates (8.9% in Year 1 then 6.5% decreasing to 4.5%)	1% Increase (9.9% in Year 1 then 7.5% decreasing to 5.5%)
Net OPEB liability	\$ 4,694,841	\$	5,684,822	\$ 6,828,707

For the year ended June 30, 2023, the District recognized OPEB expense of \$463,919.

At June 30, 2023, 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	\$ 717,925	\$	587,640
Changes in assumptions	1,124,292		781,939
Net difference between projected and actual earnings on OPEB plan investments		-	82,290
Total	\$ 1,842,217	\$	1,451,869

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
2024	(121,396)
2025	(115,470)
2026	(53,165)
2027	(57,761)
2028	112,970
Thereafter	625,170

Waunakee Community School District

Notes to Financial Statements

Note 12: Reconciliation of Deferred Outflows and Inflows

The tables below reconciles the deferred outflows and inflows from the Notes to the financial statements:

	Deferred Outflows	Deferred Inflows
Employee Retirement Plans - Wisconsin Retirement System	\$ 35,726,100	\$ 20,658,346
Other Postemployment Benefits - Healthcare Plan	1,842,217	1,451,869
Total	\$ 37,568,317	\$ 22,110,215

Note 13: 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 2023.

Required Supplementary Information

Waunakee Community School District
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 23,818,251	\$ 24,818,251	\$ 24,818,251	\$ -
Other local sources	697,360	1,199,260	1,322,173	122,913
Interdistrict sources	2,031,645	2,007,468	2,023,803	16,335
Intermediate sources	8,511	8,511	7,237	(1,274)
State sources	27,891,708	27,712,177	27,966,510	254,333
Federal sources	2,740,173	3,173,660	3,186,701	13,041
Other sources	195,218	170,715	300,858	130,143
Total revenues	57,382,866	59,090,042	59,625,533	535,491
Expenditures:				
Instruction:				
Regular instruction	24,280,106	25,157,954	25,775,980	(618,026)
Vocational instruction	2,099,027	2,103,646	2,102,881	765
Other instruction	2,301,667	2,301,667	2,501,501	(199,834)
Total instruction	28,680,800	29,563,267	30,380,362	(817,095)
Support services:				
Pupil services	1,828,469	1,828,969	1,944,448	(115,479)
Instructional staff services	4,016,561	3,974,027	3,623,616	350,411
General administration	1,180,384	1,180,384	1,336,265	(155,881)
Building administration	4,027,298	4,033,298	4,134,442	(101,144)
Business services	8,229,016	8,475,756	9,293,715	(817,959)
Central services	81,519	81,519	82,449	(930)
Insurance	345,825	345,825	321,973	23,852
Other support services	2,401,937	2,401,890	2,381,899	19,991
Total support services	22,111,009	22,321,668	23,118,807	(797,139)
Debt service				
Principal	25,000	25,000	40,139	(15,139)
Interest	150,000	150,000	393,858	(243,858)
Total expenditures	50,966,809	52,059,935	53,933,166	(1,873,231)
Excess of revenues over expenditures	6,416,057	7,030,107	5,692,367	2,408,722
Other financing uses:				
Transfers out	(6,416,057)	(6,611,610)	(6,365,644)	245,966
Net change in fund balance	-	418,497	(673,277)	2,654,688
Fund balance - Beginning of year	8,695,444	8,695,444	8,695,444	-
Fund balance - End of year	\$ 8,695,444	\$ 9,113,941	\$ 8,022,167	\$ (1,091,774)

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedule.

Waunakee Community School District

Notes to Budgetary Comparison Schedule - General Fund

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)

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*:

	General Fund Actual on Budgetary Basis	Special Education Fund	General Fund Actual on GAAP Basis
Revenues	\$ 59,625,533	\$ 3,740,065	\$ 63,365,598
Expenditures	(53,933,166)	(9,901,403)	(63,834,569)
Other financing sources (uses)	(6,365,644)	6,161,338	(204,306)
Net change in fund balance	\$ (673,277)	\$ -	\$ (673,277)

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over Budget
Regular curriculum	\$ 25,157,954	\$ 25,775,980	\$ 618,026
Other instruction	2,301,667	2,501,501	199,834
Pupil services	1,828,969	1,944,448	115,479
General administration	1,180,384	1,336,265	155,881
Building administration	4,033,298	4,134,442	101,144
Business services	8,475,756	9,293,715	817,959
Central services	81,519	82,449	930
Debt service	175,000	433,997	258,997

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
2022	0.18605452 %	\$ 9,856,617	\$ 34,670,657	28.43 %	95.72 %
2021	0.18302477	(14,752,133)	31,878,460	(46.28)	106.02
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
2023	\$ 2,319,945	\$ 2,319,945	\$ -	\$ 34,780,770	6.67 %
2022	2,204,478	2,204,478	-	33,385,317	6.60
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

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*

Notes to the Schedules:

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

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

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

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

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

*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

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018 140
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age				
	Level Percent of Payroll-Closed				
Amortization Method:	Amortization Period				
	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Amortization Period:	Five Year Smoothed Market (Closed)				
Asset Valuation Method:					
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%

Waunakee Community School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2022	2021	2020	2019	2018 ¹⁴¹
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Waunakee Community School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2017	2016	2015	2014	2013 142
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of
	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from
	date of participation in	date of participation	date of participation	date of participation	date of participation
	WRS	in WRS	in WRS	in WRS	in WRS
Amortization Period:	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)
Asset Valuation Method:					
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	3.2%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

Waunakee Community School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

<i>Year Ended June 30, 2023</i>	2017	2016	2015	2014	2013 143
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2011 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

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

Fiscal Year Ending - June 30,	2023	2022	2021	2020
Total OPEB Liability				
Service cost	\$ 494,433	\$ 328,636	\$ 321,404	\$ 431,620
Interest	185,668	148,788	147,771	254,740
Change in benefit terms		413,577	-	-
Differences between expected and actual experience	627,269	85,524	-	(899,814)
Changes in assumptions or other input		1,300,971	-	(2,933)
Benefit payments	(1,181,825)	(260,684)	(594,519)	(283,885)
Net Change in OPEB Liability	125,545	2,016,812	(125,344)	(500,272)
Total OPEB liability - beginning	8,595,623	6,578,811	6,704,155	7,204,427
Total OPEB liability - ending	\$ 8,721,168	\$ 8,595,623	\$ 6,578,811	\$ 6,704,155
Plan Fiduciary Net Position				
Contributions - employer	\$ 912,701	\$ 331,201	\$ 489,885	\$ 587,108
Net investment income	46,030	50,184	376,591	50,452
Benefit payments	(1,181,825)	(260,684)	(594,519)	(283,885)
Adjustment	(47)	(77,561)	-	-
Net Change in Plan Fiduciary Net Position	(223,141)	43,140	271,957	353,675
Plan Fiduciary Net Position - beginning	3,259,487	3,216,347	2,944,390	2,590,715
Plan Fiduciary Net Position - ending	\$ 3,036,346	\$ 3,259,487	\$ 3,216,347	\$ 2,944,390
Net OPEB Liability	\$ 5,684,822	\$ 5,336,136	\$ 3,362,464	\$ 3,759,765
Plan fiduciary net position as a percentage of the total OPEB liability				
	34.82%	37.92%	48.89%	43.92%
Covered payroll	\$ 29,404,464	\$29,404,464	\$29,189,262	\$29,189,262
Net OPEB liability as a percentage of covered payroll				
	19.33%	18.15%	11.52%	12.88%

* 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,	2019	2018	2017	2016
Total OPEB Liability				
Service cost	\$ 400,957	\$ 600,092	\$ 582,614	\$ 549,170
Interest	254,812	242,874	237,452	225,676
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	-	194,262	(365,688)	(5,292)
Changes in assumptions or other input	119,726	(1,950,182)	-	-
Benefit payments	(331,177)	(245,382)	(102,465)	(352,833)
Net Change in OPEB Liability	444,318	(1,158,336)	351,913	416,721
Total OPEB liability - beginning	6,760,109	7,918,445	7,566,532	7,149,811
Total OPEB liability - ending	\$ 7,204,427	\$ 6,760,109	\$ 7,918,445	\$ 7,566,532
Plan Fiduciary Net Position				
Contributions - employer	\$ 587,220	\$ 564,841	\$ 589,384	\$ 508,468
Net investment income	37,175	12,416	8,322	5,441
Benefit payments	(331,177)	(245,382)	(102,465)	(352,833)
Adjustment - Note 1	-	1,136,646	-	-
Net Change in Plan Fiduciary Net Position	293,218	1,468,521	495,241	161,076
Plan Fiduciary Net Position - beginning	2,297,497	828,976	333,735	172,659
Plan Fiduciary Net Position - ending	\$ 2,590,715	\$ 2,297,497	\$ 828,976	\$ 333,735
Net OPEB Liability	\$ 4,613,712	\$ 4,462,612	\$ 7,089,469	\$ 7,232,797
Plan fiduciary net position as a percentage of the total OPEB liability				
	35.96%	33.99%	10.47%	4.41%
Covered payroll	\$26,556,897	\$26,556,897	\$25,638,082	\$23,967,500
Net OPEB liability as a percentage of covered payroll				
	17.37%	16.80%	27.65%	30.18%

* 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
6/30/2023	\$ 907,109	\$ 912,701	(5,592)	\$ 29,404,464	3.10%
6/30/2022	456,976	331,201	125,775	29,404,464	1.13%
6/30/2021	443,666	489,885	(46,219)	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: 6/30/2023

Method and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	13 year Level %
Asset valuation method	Market value
Inflation	2.5 percent
Healthcare cost trend rates	8.90% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.5%, and level thereafter
Discount rate	2.25 percent
Actuarial assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement (WRS) experience from 2018-20
Mortality assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection case from a base year of 2010

* 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

Waunakee Community School District
Combining Balance Sheet - General Fund
June 30, 2023

	General Operating Fund	Special Education Fund	Total General Fund
Assets:			
Cash and investments	\$ 7,528,767	\$ -	\$ 7,528,767
Receivables:			
Accounts	184,054	-	184,054
Taxes	9,768,816	-	9,768,816
Prepaid items	33,635	-	33,635
Due from other funds	106,991	(106,991)	-
Due from other governments	1,200,973	116,370	1,317,343
Total assets	\$ 18,823,236	\$ 9,379	\$ 18,832,615
Liabilities:			
Short-term notes payable	\$ 8,700,000	\$ -	\$ 8,700,000
Accounts payable	448,351	300	448,651
Accrued payroll	884,669	9,079	893,748
Accrued interest	296,424	-	296,424
Due to other funds	400,577	-	400,577
Medical claims payable	71,048	-	71,048
Total liabilities	10,801,069	9,379	10,810,448
Fund balances:			
Nonspendable	33,635		33,635
Restricted	512,860	-	512,860
Committed	386,485	-	386,485
Assigned	1,196,763	-	1,196,763
Unassigned	5,892,424	-	5,892,424
Total fund balances	8,022,167	-	8,022,167
Total liabilities and fund balances	\$ 18,823,236	\$ 9,379	\$ 18,832,615

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, 2023

	General Operating Fund	Special Education Fund	Total General Fund
Revenues:			
Property taxes	\$ 24,818,251	\$ -	\$ 24,818,251
Other local sources	1,322,173	610	1,322,783
Interdistrict sources	2,023,803	-	2,023,803
Intermediate sources	7,237	11,405	18,642
State sources	27,966,510	2,682,148	30,648,658
Federal sources	3,186,701	1,045,902	4,232,603
Other sources	300,858	-	300,858
Total revenues	59,625,533	3,740,065	63,365,598
Expenditures:			
Instruction:			
Regular instruction	25,775,980	210,436	25,986,416
Vocational instruction	2,102,881	-	2,102,881
Special instruction	-	7,320,705	7,320,705
Other instruction	2,501,501	-	2,501,501
Total instruction	30,380,362	7,531,141	37,911,503
Support services:			
Pupil services	1,944,448	1,643,510	3,587,958
Instructional staff services	3,623,616	515,482	4,139,098
General administration	1,336,265	-	1,336,265
Building administration	4,134,442	-	4,134,442
Business services	9,293,715	175,536	9,469,251
Central services	82,449	3,993	86,442
Insurance	321,973	31,741	353,714
Other support services	2,381,899	-	2,381,899
Total support services	23,118,807	2,370,262	25,489,069
Debt service:			
Principal	40,139	-	40,139
Interest	393,858	-	393,858
Total expenditures	53,933,166	9,901,403	63,834,569
Excess of revenues over (under)			
expenditures	5,692,367	(6,161,338)	(468,971)
Other financing sources:			
Transfers out	(6,365,644)	6,161,338	(204,306)
Net change in fund balances	(673,277)	-	(673,277)
Fund balances - Beginning of year	8,695,444	-	8,695,444
Fund balances - End of year	\$ 8,022,167	\$ -	\$ 8,022,167

See Independent Auditor's Report.

Waunakee Community School District
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 1,206,845	\$ 6,109	\$ 5,360	\$ 342,009	\$ 1,560,323
Accounts receivable	75,742	20,026	8,768	400	104,936
Prepaid expenses	-	26,343	-	-	26,343
Due from other governments	3,679	11,221	-	2,281	17,181
Total assets	\$ 1,286,266	\$ 63,699	\$ 14,128	\$ 344,690	\$ 1,708,783
Liabilities:					
Accounts payable	\$ 34,632	\$ 4,700	\$ 14,128	\$ 7,462	\$ 60,922
Accrued payroll	7,775	-	-	12,963	20,738
Unearned revenue	2,670	58,999	-	-	61,669
Total liabilities	45,077	63,699	14,128	20,425	143,329
Fund balances:					
Nonspendable	-	26,343	-	-	26,343
Restricted	1,241,189	-	-	324,265	1,565,454
Unassigned	-	(26,343)	-	-	(26,343)
Total fund balances	1,241,189	-	-	324,265	1,565,454
Total liabilities and fund balance	\$ 1,286,266	\$ 63,699	\$ 14,128	\$ 344,690	\$ 1,708,783

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, 2023

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 394,500	\$ 394,500
Other local sources	1,218,263	2,755,296	-	82,169	4,055,728
Interdistrict sources	-	-	178,819	-	178,819
Federal sources	-	-	-	139,762	139,762
Other sources	1,594	-	-	-	1,594
Total revenues	1,219,857	2,755,296	178,819	616,431	4,770,403
Expenditures:					
Instruction:					
Regular instruction	65,832	-	-	-	65,832
Vocational instruction	5,219	-	-	-	5,219
Special instruction	224	-	-	-	224
Other instruction	817,614	-	-	-	817,614
Total instruction	888,889	-	-	-	888,889
Support services:					
Pupil services	11,784	-	-	-	11,784
Instructional staff services	142,140	-	174,435	-	316,575
Building administration services	-	-	-	116,408	116,408
Business services	65,787	3,097,748	3,600	15,216	3,182,351
Central services	-	-	-	27,160	27,160
Insurance	-	270	-	2,195	2,465
Other support services	-	-	784	648,781	649,565
Total support services	219,711	3,098,018	178,819	809,760	4,306,308
Total expenditures	1,108,600	3,098,018	178,819	809,760	5,195,197
Excess of revenues over (under) expenditures	111,257	(342,722)	-	(193,329)	(424,794)
Other financing sources:					
Transfers in	-	204,306	-	-	204,306
Net change in fund balances	111,257	(138,416)	-	(193,329)	(220,488)
Fund balances - Beginning of year	1,129,932	138,416	-	517,594	1,785,942
Fund balances - End of year	\$ 1,241,189	\$ -	\$ -	\$ 324,265	\$ 1,565,454

See Independent Auditor's Report.

Other Reports

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

Wipfli LLP

Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Major 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

Opinion on Each Major Federal and State Program

We have audited the Waunakee Community School District's (the "District") compliance with the types of compliance requirements identified as subject to audit 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, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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* (the "Uniform Guidance"); and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Madison, Wisconsin

Waunakee Community School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2022	Cash Received	Expenditures	Accrued Revenue 6/30/2023 ¹⁵⁸
<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	2023-136181-DPI-FLOW-341	\$231,322	\$1,055,874	\$ 952,210	\$ 127,658
Preschool Entitlement	84.173	2023-136181-DPI-PRESCH-347	1,353	15,619	15,255	989
Total Special Education Cluster			<u>232,675</u>	<u>1,071,493</u>	<u>967,465</u>	<u>128,647</u>
Title I Grants to Local Educational Agencies	84.010	2023-136181-DPI-TI-A-141	17,161	74,279	85,777	28,659
Supporting Effective Instruction State Grants	84.367	2023-136181-DPI-TIIA-365	5,502	44,017	53,954	15,439
Student Support and Academic Enrichment Grants	84.424	2023-136181-DPI-TIVA-381	1,219	1,219	9,720	9,720
<i>Education Stabilization Fund</i>						
COVID-19 Elementary and Secondary School Emergency Relief Fund - II	84.425	2023-136181-DPI-ESSERFII-163	187,377	198,548	11,171	-
COVID-19 Elementary and Secondary School Emergency Relief Fund - III	84.425	2023-136181-DPI-ESSERFIII-165	-	1,301,224	2,295,394	994,170
Total 84.425			<u>187,377</u>	<u>1,499,772</u>	<u>2,306,565</u>	<u>994,170</u>
Career and Technical Education -- Basic Grants to States	84.048	2023-136181-DPI-CTE-400	4,418	23,025	21,991	3,384
Total U.S. Department of Education			<u>448,352</u>	<u>2,713,805</u>	<u>3,445,472</u>	<u>1,180,019</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	N/A	21,909	159,390	139,762	2,281
Medicaid Cluster	93.778	N/A	18,539	354,930	345,551	9,160
Total U.S. Department of Health and Human Services			<u>40,448</u>	<u>514,320</u>	<u>485,313</u>	<u>11,441</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$488,800</u>	<u>\$3,228,125</u>	<u>\$ 3,930,785</u>	<u>\$1,191,460</u>

See Independent Auditor's Report.

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

Preliminary Draft

Waunakee Community School District

Schedule of State Financial Assistance

Year Ended June 30, 2023

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2022	Cash Received	Expenditures	Accrued Revenue 6/30/2023
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents	255.101	136181-100	\$ -	\$ 2,671,638	\$ 2,671,638	\$ -
Common School Fund Library Aid	255.103	136181-104	-	215,170	215,170	-
General Transportation Aid for Public School Pupils	255.107	136181-102	-	97,884	97,884	-
Equalization Aids	255.201	136181-116	-	23,888,515	23,888,515	-
Aid for School Mental Health Programs	255.227	136181-176	117,922	287,701	169,779	-
School based mental health servicea grant	255.297	136181-177	6,821	54,128	47,307	-
Early College Credit Program	255.455	136181-178	-	386	901	515
Educator Effectiveness Eval Sys Grants	255.940	136181-154	30,080	61,040	30,960	-
Per Pupil Aid	255.945	136181-113	-	3,068,912	3,068,912	-
Career and Technical Education Incentive Grants	255.950	136181-152	59,919	112,122	104,405	52,202
Assessments of Reading Readiness	255.956	136181-166	-	15,287	15,287	-
Spcl education transition incentive grants	255.960	136181-168	-	10,510	10,510	-
Total Wisconsin Department of Public Instruction			214,742	30,483,293	30,321,268	52,717
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 214,742	\$ 30,483,293	\$ 30,321,268	\$ 52,717

See Independent Auditor's Report.

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

Preliminary Draft

Waunakee Community School District

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

Year Ended June 30, 2023

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, 2023. 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

2022-2023 eligible costs under the State Special Education Program are \$8,756,544.

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, 2023

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?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
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
84.425	Education Stabilization Fund
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, 2023

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?	None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
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Identification of major state programs:

State ID Number	Name of State Program
255.201	Equalization Aids

Federal program audited as a major program to meet State requirements:

93.778	Medical Assistance Program 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, 2023

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 Health Services No

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

Name of Partner

Brian Anderson

Date
