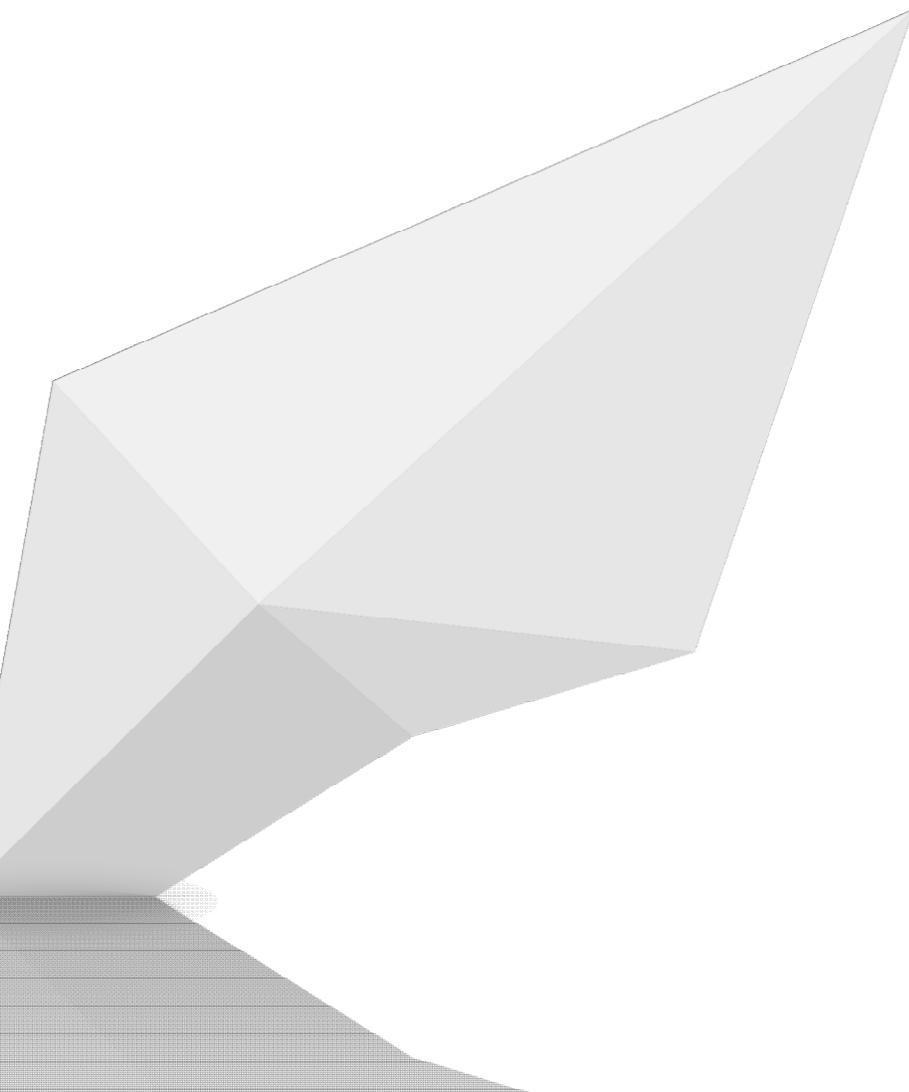


School District of the Menomonie Area

Financial Statements and
Supplementary Financial Information

Year Ended June 30, 2021



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School District of the Menomonie Area
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2021

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School District of the Menomonie Area
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2021

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Independent Auditor's Report

Board of Education
School District of the Menomonie Area
Menomonie, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of the Menomonie Area, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison schedule - General Fund, schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, schedule of changes in the employer's net pension liability and related ratios - District pension plan, schedule of employer contributions - District pension plan, schedule of investment returns - District pension plan, schedule of changes in the employer's net OPEB liability and related ratios - District OPEB plan, schedule of employer contributions - District OPEB plan, and schedule of investment returns - District OPEB plan on pages 5 through 17 and 67 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.



Wipfli LLP

December 15, 2021
Eau Claire, Wisconsin

Management's Discussion and Analysis

School District of the Menomonie Area
Management's Discussion and Analysis
Year Ended June 30, 2021

This section of the School District of the Menomonie Area's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's overall financial position, as reflected in total net position is \$45,216,163.
- Net position increased \$5,763,452 during the year.
- The District decreased the principal amount of outstanding general obligation debt by \$3,166,000.
- In the governmental funds, the District's total fund balance increased \$1,021,459 during the year. The General Fund balance increased by \$704,643.

Overview of the Financial Statements

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

Government-Wide Financial Statements

- The government-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. As of June 30, 2021, the District had no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

Fund Financial Statements

- The District also produces *fund financial statements*. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.
- There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. Generally, fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.
- Because the focus of fund financial statements is narrower than that of the government-wide statements, it is useful to make comparisons between the information presented. By doing so, readers may better understand the long-term implications of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fund Financial Statements (Continued)

- The District has two kinds of funds: *governmental* and *fiduciary*. The District maintains individual governmental funds (general, community service, debt service, donations, and food service) and individual capital project funds as needed. The District has one *fiduciary fund*.
- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* for the general fund, the debt service fund, and the capital projects fund since these are considered to be major funds. Data for the community service, donations, and food service funds is combined into a single, aggregated column.
- The District serves as a trustee for the OPEB and pension plans of District employees. The assets of the trust do not directly benefit nor are they under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.
- The District adopts an annual budget for all governmental funds. For financial statement reporting purposes, the general fund and special education fund are combined and reported as the general fund. A budgetary comparison statement for the general fund (not including the special education fund) has been provided to demonstrate budget compliance.

Notes to the Financial Statements

- The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.
- The major features of the District's financial statements, including the portion of the activities reported and the type of information contained, are shown in the table below.

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

Financial Analysis

The District as a Whole

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,216,163 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (\$23,637,907 or 52 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. (See Table 1)

Table 1
School District of the Menomonie Area
Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 35,882,148	\$ 30,835,580
Capital assets, net	52,516,894	53,986,074
Total assets	88,399,042	84,821,654
Deferred outflows of resources	12,495,994	9,341,882
Long-term liabilities	31,814,845	35,701,633
Other liabilities	4,678,426	4,224,443
Total liabilities	36,493,271	39,926,076
Deferred inflows of resources	19,185,602	14,784,749
Net position:		
Net investment in capital assets	23,637,907	22,205,274
Restricted	17,709,552	14,600,878
Unrestricted	3,868,704	2,646,559
Total net position	\$ 45,216,163	\$ 39,452,711

The District as a Whole (Continued)

Change in net position.

Table 2
School District of the Menomonie Area
Change in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 848,958	\$ 1,464,215
Operating grants and contributions	7,504,247	5,670,368
Capital grants and contributions	2,000	3,000
General revenues:		
Property taxes	17,781,023	16,693,540
State aid-formula grants	24,243,074	24,648,208
Other	307,049	545,125
Total revenues	50,686,351	49,024,456
Expenses:		
Instruction	24,107,602	24,019,212
Pupil services	1,890,870	1,872,585
Instructional staff services	1,293,519	1,380,637
General administration services	716,183	818,975
Building administration services	1,611,599	1,429,567
Business services	1,651,932	804,090
Operations and maintenance	4,055,521	3,524,423
Pupil transportation services	2,132,445	1,572,987
Food service	1,846,723	1,724,310
Central services	376,230	311,051
Insurance	290,801	283,746
Community services	244,112	267,499
Interest on debt	1,933,603	910,592
Other support services	1,418,963	1,047,936
Unallocated depreciation, excluding direct	1,352,796	1,353,684
Total expenses	44,922,899	41,321,294
Change in net position	5,763,452	7,703,162
Net position - Beginning of year,	39,452,711	31,510,067
Restatement of net position	-	239,482
Net position - End of year	\$ 45,216,163	\$ 39,452,711

The District as a Whole (Continued)

The District's total revenues were \$50,686,351 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 82.9 percent of total revenue for the year. (See Table 3) The remaining 17.1 percent came from operating and capital grants and contributions, charges for services, and other general revenues.

Table 3
School District of the Menomonie Area
Revenues for Fiscal Year 2021

	Amount	Percent of Total
Revenues:		
Program revenues:		
Charges for services	\$ 848,958	1.7 %
Operating grants and contributions	7,504,247	14.8 %
Capital grants and contributions	2,000	- %
General revenues:		
Property taxes	17,781,023	35.1 %
State aid-formula grants	24,243,074	47.8 %
Other	307,049	0.6 %
Total revenues	\$ 50,686,351	100.0 %

The District as a Whole (Continued)

The total cost of all programs and services was \$44,922,899. The District's expenses are predominantly related to educating and caring for students (60.8 percent). (See Table 4) The purely administrative activities of the District accounted for just 5.2 percent of total costs.

Total revenues surpassed expenses, increasing net position by \$5,763,452.

Table 4
School District of the Menomonee Area
Expenses for Fiscal Year 2021

	Amount	Percent of Total
Expenses:		
Instruction	\$ 24,107,602	53.7 %
Student support services	3,184,389	7.1 %
Administration	2,327,782	5.2 %
Maintenance and operations	4,055,521	9.0 %
Interest on debt	1,933,603	4.3 %
Other	9,314,002	20.7 %
Total expenses	\$ 44,922,899	100.0 %

Government-Wide Financial Analysis

Net cost of governmental activities. Table 5 reports the cost of the District's activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

Table 5
School District of the Menomonie Area
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	\$ 24,107,602	\$ 24,019,212	\$ 18,833,122	\$ 19,484,984
Pupil and instructional services	3,184,389	3,253,222	2,977,119	3,027,375
Administration	2,327,782	2,248,542	2,327,782	2,248,542
Maintenance and operations	4,055,521	3,524,423	4,053,521	3,521,423
Transportation	2,132,445	1,572,987	1,996,143	1,452,193
Food service	1,846,723	1,724,310	(660,125)	(299,686)
Community service	244,112	267,499	223,523	210,841
Interest on debt	1,933,603	910,592	1,933,265	843,242
Other	5,090,722	3,800,507	4,883,344	3,698,138
Total	\$ 44,922,899	\$ 41,321,294	\$ 36,567,694	\$ 34,187,052

- The cost of all *governmental* activities this year was \$44,922,899.
- Some of the cost was paid by the users of the District's programs (\$848,958).
- The federal and state governments subsidized certain programs with grants and contributions (\$7,506,247).
- Most of the District's costs (\$36,567,694), however, were paid for by District taxpayers and the taxpayers of our state.
- This portion of governmental activities was paid for with \$17,781,023 in property taxes, \$24,243,074 of state aid based on the statewide education aid formula, and \$307,049 with investment earnings and other general revenues, resulting in an increase in net position of \$5,763,452.

Governmental Funds

The District completed the year with a total governmental fund balance of \$23,983,163, which is \$1,021,459 over last year's ending fund balance of \$22,961,704.

- The general fund had an increase in fund balance of \$704,643. This was primarily due to fewer capital purchases in the current year (about \$700,000), lower pupil transportation costs (about \$360,000) and an increase in general state aid (about \$1,300,000).
- The capital projects fund had an increase of \$688,307. The increase was attributed to the General Fund contribution to fund the District's long-term projects.
- The debt service fund had a decrease of \$988,268. The decrease was attributed to the District paying \$800,000 of District funds for debt refunding.
- Revenues and other financing sources exceeded expenditures and other financing uses by \$616,777 for the other nonmajor governmental funds. These funds included the Community Service Fund, Donations Fund, and Food Service Fund.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into three categories:

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Increasing appropriations for significant unbudgeted costs.
- Reallocating the budget between functional lines.

The District's final budget for the general fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$1,209,771, the actual results for the year show a \$704,643 surplus.

- Actual revenues were about \$382 more than expected.
- The actual expenditures were \$1,479,937 less than budget.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2021 fiscal year, the District had invested over \$86 million in a broad range of capital assets, including land, buildings, and equipment. (See Table 6) Additional information about capital assets can be found in Note 5. Total accumulated depreciation on these assets exceeded \$33 million for governmental activities.

- Asset acquisitions for governmental activities totaled \$1,107,710.
- The District recognized depreciation expense of \$2,411,935 for governmental activities.

Table 6
School District of the Menomonie Area
Capital Assets

	Governmental Activities	
	2021	2020
Land	\$ 806,600	\$ 806,600
Construction in progress	-	39,590
Land improvements	2,692,710	2,694,470
Buildings and building improvements	77,442,886	77,135,469
Furniture and equipment	4,848,364	4,483,113
Accumulated depreciation	(33,273,666)	(31,173,168)
Total	\$ 52,516,894	\$ 53,986,074

Long-Term Debt

At year-end, the District had \$28,764,299 in general obligation bonds and other long-term debt outstanding (includes \$165,508 of premium). (See Table 7) Additional information about the District's long-term obligations is presented in Note 6 to the financial statements.

Table 7
School District of the Menomonie Area
Outstanding Long-Term Obligations

	Total School District		Total % Change
	June 30		
	2021	2020	2020-2021
General obligation bonds and notes (including premium)	\$ 28,389,508	\$ 31,685,969	(10.4)
Capital leases	306,921	-	100.0
Compensated absences	67,870	65,207	4.1
	\$ 28,764,299	\$ 31,751,176	(9.4)

- The District retired \$14,836,000 of outstanding bonds and notes during the current year.

Factors Bearing on the District's Future

Current circumstances that will impact the District's financial status in the future are as follows:

- The District enrollment has slightly increased. Enrollment for the 2021-2022 fiscal year increased approximately 97 students from the prior year. The District anticipates that enrollment for the 2022-2023 fiscal year will have a decrease of approximately 21 students from the 2021-2022 fiscal year. The estimated enrollment decrease could change depending on the status of the pandemic in 2022-2023.
- The state of Wisconsin has an open enrollment law that allows students to attend the school district of their choice with few restrictions. The state adjusts each district's general state aid payment based on the number of students who transfer. The School District of Menomonie expects to have a net loss of 115 students that will decrease state aid by \$972,211.40 in 2021-2022.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Joseph Zydowsky, District Administrator, School District of the Menomonie Area, 215 Pine Avenue NE, Menomonie, Wisconsin 54751.

Government-Wide Financial Statements

School District of the Menomonie Area

Statement of Net Position

June 30, 2021

<i>Assets and Deferred Outflows of Resources</i>	Governmental Activities
Current assets:	
Cash and investments	\$ 21,166,723
Receivables:	
Taxes	5,599,715
Accounts	114,786
Due from other governments	1,402,327
Prepaid items	14,161
Inventory	13,531
Total current assets	28,311,243
Noncurrent assets:	
Restricted net pension asset - WRS	7,570,905
Capital assets:	
Land	806,600
Land improvements	2,692,710
Buildings and building improvements	77,442,886
Furniture and equipment	4,848,364
Less - Accumulated depreciation	(33,273,666)
Total capital assets, net of accumulated depreciation	52,516,894
Total noncurrent assets	60,087,799
Total assets	88,399,042
Deferred outflows of resources:	
Related to pensions - District pension plan	124,259
Related to OPEB - District OPEB plan	373,545
Related to pensions - WRS	11,998,190
Total deferred outflows of resources	12,495,994
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 100,895,036

School District of the Menomonie Area

Statement of Net Position (Continued)

June 30, 2021

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Governmental Activities
Liabilities:	
Current liabilities:	
Accounts payable	\$ 309,283
Accrued liabilities:	
Payroll, payroll taxes, insurance	3,482,224
Claims incurred but not reported	450,000
Interest	350,346
Unearned revenue	84,699
Deposits	1,802
Due to other governments	72
Current portion of long-term obligations	2,220,023
Total current liabilities	6,898,449
Noncurrent liabilities:	
Bonds and notes payable	26,379,508
Capital leases payable	156,311
Net OPEB liability - District OPEB plan	1,275,044
Net pension liability - District pension plan	1,775,502
Compensated absences	8,457
Total noncurrent liabilities	29,594,822
Total liabilities	36,493,271
Deferred inflows of resources:	
Related to pensions - District pension plan	79,017
Related to OPEB - District OPEB plan	2,328,708
Related to pensions - WRS	16,595,320
Deferred amount on refunding	182,557
Total deferred inflows of resources	19,185,602
Net position:	
Net investment in capital assets	23,637,907
Restricted for:	
Pension benefits	7,570,905
Community service	178,000
Debt service	81,520
Capital projects	5,438,049
Self insurance	2,506,322
Food service	1,157,323
Donations	777,433
Unrestricted	3,868,704
Total net position	45,216,163
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 100,895,036

See accompanying notes to financial statements.

School District of the Menomonie Area

Statement of Activities

Year Ended June 30, 2021

<i>Functions/Programs</i>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 17,000,257	\$ 580,112	\$ 1,473,255	\$ -	\$ (14,946,890)
Vocational instruction	736,834	-	85,386	-	(651,448)
Special education instruction	4,873,944	118,897	2,733,998	-	(2,021,049)
Other instruction	1,496,567	69,220	213,612	-	(1,213,735)
Total instruction	24,107,602	768,229	4,506,251	-	(18,833,122)
Support services:					
Pupil services	1,890,870	-	738	-	(1,890,132)
Instructional staff services	1,293,519	-	206,532	-	(1,086,987)
General administration services	716,183	-	-	-	(716,183)
Building administration services	1,611,599	-	-	-	(1,611,599)
Business services	1,651,932	-	-	-	(1,651,932)
Operations and maintenance	4,055,521	-	-	2,000	(4,053,521)
Pupil transportation services	2,132,445	-	136,302	-	(1,996,143)
Food service	1,846,723	60,140	2,446,708	-	660,125
Central services	376,230	-	207,378	-	(168,852)
Insurance	290,801	-	-	-	(290,801)
Community services	244,112	20,589	-	-	(223,523)
Interest on debt	1,933,603	-	338	-	(1,933,265)
Other support services	1,418,963	-	-	-	(1,418,963)
Unallocated depreciation, excluding direct	1,352,796	-	-	-	(1,352,796)
Total support services	20,815,297	80,729	2,997,996	2,000	(17,734,572)
Total governmental activities (carried forward)	\$ 44,922,899	\$ 848,958	\$ 7,504,247	\$ 2,000	(36,567,694)

School District of the Menomonie Area

Statement of Activities (Continued)

Year Ended June 30, 2021

<i>Functions/Programs</i>	Expenses	Program Revenues		Net (Expense)	
		Charges for Services	Operating	Capital	Revenue and
			Grants and Contributions	Grants and Contributions	Changes in
				Net Position	
				Total	
				Governmental	
				Activities	
Total governmental activities (brought forward)				\$ (36,567,694)	
General revenues:					
Property taxes:					
General purposes				13,390,323	
Debt service				4,057,700	
Community services				333,000	
State and federal aids not restricted to specific functions:					
General				23,919,002	
Other				324,072	
Interest and investment earnings				67,776	
Miscellaneous				216,969	
Gain on disposal of assets				22,304	
Total general revenues				42,331,146	
Change in net position				5,763,452	
Net position - Beginning of year, as restated				39,452,711	
Net position - End of year				\$ 45,216,163	

See accompanying notes to financial statements.

Fund Financial Statements

School District of the Menomonie Area

Governmental Funds - Balance Sheet

June 30, 2021

<i>Assets</i>	General Fund	Capital Projects Fund	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 13,953,680	\$ 4,718,049	\$ 431,866	\$ 2,063,128	\$ 21,166,723
Receivables:					
Taxes	5,599,715	-	-	-	5,599,715
Accounts	1,937	-	-	13,439	15,376
Due from other funds	99,410	720,000	-	-	819,410
Due from other governments	1,261,841	-	-	140,486	1,402,327
Prepaid items	14,161	-	-	-	14,161
Inventory	-	-	-	13,531	13,531
TOTAL ASSETS	\$ 20,930,744	\$ 5,438,049	\$ 431,866	\$ 2,230,584	\$ 29,031,243
<i>Liabilities, Deferred Inflows of Resources, and Fund Balances</i>					
Liabilities:					
Accounts payable	\$ 148,178	\$ -	\$ -	\$ 20,582	\$ 168,760
Accrued liabilities:					
Payroll, payroll taxes, insurance	3,474,732	-	-	7,491	3,482,223
Claims incurred but not reported	450,000	-	-	-	450,000
Unearned revenue	-	-	-	84,699	84,699
Deposits	-	-	-	1,802	1,802
Due to other governments	72	-	-	-	72
Due to other funds	857,270	-	-	3,254	860,524
Total liabilities	4,930,252	-	-	117,828	5,048,080
Fund balances:					
Nonspendable:					
Prepays	14,161	-	-	-	14,161
Inventory	-	-	-	13,531	13,531
Restricted:					
Debt service	-	-	431,866	-	431,866
Self insurance	2,506,322	-	-	-	2,506,322
Capital projects	-	5,438,049	-	-	5,438,049
Food service	-	-	-	1,143,792	1,143,792
Community service	-	-	-	178,000	178,000
Donations	-	-	-	777,433	777,433
Unassigned	13,480,009	-	-	-	13,480,009
Total fund balances	16,000,492	5,438,049	431,866	2,112,756	23,983,163
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,930,744	\$ 5,438,049	\$ 431,866	\$ 2,230,584	\$ 29,031,243

School District of the Menomonee Area

Governmental Funds - Balance Sheet (Continued)

June 30, 2021

Total net position reported for governmental activities in the statement of net position is different from the amount reported on the previous page as total governmental fund balances because:

Total fund balances - Governmental funds (previous page)	\$	23,983,163
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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 are:

Governmental capital assets	\$	85,790,560	
Governmental accumulated depreciation		(33,273,666)	52,516,894

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

Net pension liability - District pension plan	(1,775,502)		
Restricted net pension asset - WRS	7,570,905		
Net OPEB liability - District OPEB plan	(1,275,044)		
Deferred inflows of resources related to pensions - District pension plan	(79,017)		
Deferred inflows of resources related to pensions - WRS	(16,595,320)		
Deferred inflows of resources related to OPEB - District OPEB plan	(2,328,708)		
Deferred outflows of resources related to pensions - District pension plan	124,259		
Deferred outflows of resources related to OPEB - District OPEB plan	373,545		
Deferred outflows of resources related to pension - WRS	11,998,190		(1,986,692)

The deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized in the governmental activities.

(182,557)

Governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(165,508)

Long-term liabilities, including bonds and notes payable, are not due in the current year and therefore are not reported in the fund statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances reported in the statement of net position that are not reported in the funds balance sheet are:

Bonds and notes payable	(28,224,000)		
Capital leases payable	(306,921)		
Compensated absences	(67,870)		
Accrued interest on long-term debt	(350,346)		(28,949,137)

Net position - Governmental activities	\$	45,216,163
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See accompanying notes to financial statements.

School District of the Menomonie Area

Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local	\$ 13,548,415	\$ 34,943	\$ 4,057,700	\$ 843,240	\$ 18,484,298
Interdistrict	689,623	-	-	-	689,623
Intermediate	16,100	-	-	-	16,100
State	26,464,374	-	-	32,663	26,497,037
Federal	2,444,399	-	-	2,414,045	4,858,444
Other	118,208	-	2,261	-	120,469
Total revenues	43,281,119	34,943	4,059,961	3,289,948	50,665,971
Expenditures:					
Instruction:					
Regular instruction	18,456,534	-	-	156,577	18,613,111
Vocational instruction	890,714	-	-	4,076	894,790
Special instruction	5,445,457	-	-	-	5,445,457
Other instruction	1,723,317	-	-	62,540	1,785,857
Total instruction	26,516,022	-	-	223,193	26,739,215
Support services:					
Pupil services	2,097,306	-	-	2,213	2,099,519
Instructional staff services	1,201,065	-	-	107,367	1,308,432
General administration services	759,574	-	-	-	759,574
Building administration services	1,796,004	-	-	-	1,796,004
Business services	1,705,362	-	-	-	1,705,362
Operations and maintenance	3,614,732	66,636	-	92,322	3,773,690
Pupil transportation	2,121,664	-	-	10,781	2,132,445
Food services	-	-	-	1,878,099	1,878,099
Central services	225,738	-	-	1,640	227,378
Insurance	290,801	-	-	-	290,801
Debt services:					
Principal	159,279	-	3,541,000	-	3,700,279
Interest	2,949	-	1,553,167	-	1,556,116
Bond issuance costs	-	-	126,749	-	126,749
Other support services	1,814,521	-	-	97,169	1,911,690
Community service	-	-	-	254,413	254,413
Total support services	15,788,995	66,636	5,220,916	2,444,004	23,520,551
Total expenditures	42,305,017	66,636	5,220,916	2,667,197	50,259,766

School District of the Menomonie Area
Governmental Funds - Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)

Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	\$ 976,102	\$ (31,693)	\$ (1,160,955)	\$ 622,751	\$ 406,205
Other financing sources (uses):					
Transfers in	-	720,000	45,937	2,295	768,232
Transfers out	(759,963)	-	-	(8,269)	(768,232)
Capital lease issued	466,200	-	-	-	466,200
Proceeds from sale of capital assets	22,304	-	-	-	22,304
Debt (notes/bonds/refunding bonds) issued	-	-	11,670,000	-	11,670,000
Payment to refunded debt escrow agent	-	-	(11,543,250)	-	(11,543,250)
Net other financing sources (uses)	(271,459)	720,000	172,687	(5,974)	615,254
Net change in fund balances	704,643	688,307	(988,268)	616,777	1,021,459
Fund balances - Beginning of year, as restated	15,295,849	4,749,742	1,420,134	1,495,979	22,961,704
Fund balances - End of year	\$ 16,000,492	\$ 5,438,049	\$ 431,866	\$ 2,112,756	\$ 23,983,163

See accompanying notes to financial statements.

School District of the Menomonie Area

Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2021

Total net change in fund balances - Governmental funds \$ 1,021,459

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 an expenditure. 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	\$ 1,107,710	
Depreciation expense reported in statement of activities	(2,411,935)	

Amount by which depreciation is greater than capital outlay in the current period		(1,304,225)
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Some employee benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB liability - District OPEB plan	686,571	
Change in net pension asset - WRS	3,618,271	
Change in net pension liability - District pension plan	213,340	
Change in deferred outflows of resources related to pensions - WRS	3,326,920	
Change in deferred outflows of resources related to pensions - District pension plan	(101,252)	
Change in deferred outflows of resources related to OPEB - District OPEB plan	(71,556)	
Change in deferred inflows of resources related to pensions - WRS	(4,759,979)	
Change in deferred inflows of resources related to pensions - District pension plan	48,077	
Change in deferred inflows of resources related to OPEB - District OPEB plan	398,775	

Amounts paid are greater than amounts earned		3,359,167
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Unpaid compensated absences are a liability of the governmental funds only if the employee has resigned or retired.

Amount by which the liability for sick pay changed in the current year		(2,663)
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Repayment of principal on long-term obligations is reported in the governmental funds as an expenditure but is reported as a reduction in long-term obligations in the statement of net position and does not affect the statement of activities.

The amount of principal payments on long-term obligations in the current year		14,995,279
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School District of the Menomonie Area
Governmental Funds - Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities (Continued)
Year Ended June 30, 2021

Proceeds of principal of long-term debt and issuance of capital leases are reported in the governmental funds as revenue, but are reported as an increase in long-term obligations in the statement of net position and do not affect the statement of activities.

The issuance of long-term debt and capital leases in the current year \$ (12,136,200)

The District disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of net position as a net loss. There is no effect on the governmental funds balance sheet.

The value of capital assets disposed of during the year \$ (476,392)

The amount of depreciation recaptured for the year 311,437

The difference in the value of assets net of recaptured depreciation creates a loss (164,955)

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

The amount of interest paid during the current period 1,801,417

The amount of interest accrued during the current period (1,846,639)

Interest paid is less than interest accrued by (45,222)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Change in premium 130,461

Change in deferred amount on refunding (87,726)

The net effect of these differences in the current year 42,735

Receivables not currently available are reported as unavailable in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements

The net effect of these differences in the current year (1,923)

Change in net position - Governmental activities \$ 5,763,452

See accompanying notes to financial statements.

School District of the Menomonie Area

Fiduciary Funds - Statement of Net Position

June 30, 2021

	Employee Benefit Trust Fund
Assets:	
Cash and investments	\$ 6,428,758
Due from other funds	140,524
TOTAL ASSETS	\$ 6,569,282
Liabilities:	
Due to other funds	\$ 99,410
TOTAL LIABILITIES	99,410
Net position:	
Restricted for other postemployment and pension benefits	6,469,872
TOTAL NET POSITION	6,469,872
TOTAL NET POSITION AND LIABILITIES	\$ 6,569,282

See accompanying notes to financial statements.

School District of the Menomonie Area

Fiduciary Funds - Statement of Changes in Net Position

Year Ended June 30, 2021

	Employee Benefit Trust- Pension
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Additions:	
Employer contributions	\$ 1,287,830
Retiree contributions	20,748
Interest	114,598
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Total additions	1,423,176
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Deductions:	
Postemployment benefits	1,117,229
<hr/>	
Total deductions	1,117,229
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Change in net position	305,947
Net position - Beginning of year	6,163,925
<hr/>	
Net position - End of year	\$ 6,469,872
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See accompanying notes to financial statements.

School District of the Menomonie Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the School District of the Menomonie Area (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 School District of the Menomonie Area is organized as a common school district. The District, governed by a nine-member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or part of 15 taxing districts.

This report includes all of the funds of the School District of the Menomonie Area. 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) 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.

New Accounting Pronouncement

Management has adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities* that establishes standards of accounting and reporting for fiduciary activities. The implementation of this statement resulted in the beginning net position of the governmental activities and fiduciary activities as well as beginning fund balance of the other governmental funds to be restated. See Note 13 for more information.

School District of the Menomonee Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 statements of fiduciary net position at the fund financial statement level.

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 is 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.

School District of the Menomonie Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.
- 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.
- Debt Service Fund - This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.

The District reports the following nonmajor governmental funds:

- Donations Fund - This fund is used to account for gifts and donations that have been restricted by private parties for specific purposes.
- Food Service Fund - This fund is used to account for financial resources that are restricted to expenditure in the District's breakfast and lunch program.
- Community Service Fund - This fund is used to account for programs provided to the community as a whole.

The District accounts for resources legally held in trust for the District's pension and other postemployment benefits in an employee benefit trust fund.

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.

School District of the Menomonee Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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 investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool.

The Debt Service and Capital Projects Funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust Fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

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 of Wisconsin 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.

School District of the Menomonie Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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

Funds held in the Employee Benefit Trust Fund to provide for pension and other postemployment benefits may be invested in any kind of property or type of investment consistent with the prudent investor rule set forth in WI Stat. 881.01. This rule requires the trustee of an Employee Benefit Trust Fund to exercise reasonable care, skill, and caution when investing and managing the assets of the trust.

All investments are stated at fair market value except, for the investment in the local government investment pool and the AUL annuity contracts, which are reported on a cost-based measure.

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."

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories, other than those in the food service fund, are recorded as expenditures when purchased rather than when consumed. Year-end inventory was deemed material in only the food service fund. Prepaid items represent payments made by the District for which benefits extend beyond June 30 and health reimbursement account (HRA) forfeitures which will be used to offset future HRA contributions.

School District of the Menomonie Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 \$5,000 for capitalizing capital assets.

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 land improvements and buildings and from 5 to 15 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.

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.

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.

School District of the Menomonie Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources and District contributions subsequent to the measurement date of the collective net pension liability (asset) for the WRS plan, as well as deferred outflows related to its own District pension and OPEB plans.

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 two items that qualify for reporting in this category. The first is deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to the WRS pension plan, as well as deferred inflows related to its own District pension and OPEB plans. The second is the deferred amount on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Compensated Absences - Non-exempt staff without individual contracts, who are at least 55 years old upon retirement and have at least 15 years' experience as an employee of the District by June 30, 2022, can elect to stay with the benefits outlined in the most recent collectively bargained agreement between the District and the AFSCME and WCEA para-educator unions, which expired on June 30, 2012. Employees formerly covered by the AFSCME collectively bargained agreement will receive \$5 per hour of unused sick leave toward health insurance premiums or a cash settlement, for up to 960 hours after first accumulating 960 hours. Employees formerly covered by the para-educator collectively bargained agreement will receive \$15 per hour for accumulated sick leave up to a maximum of 960 hours as a separation benefit. In addition, the District's policy allows employees to earn varying amounts of vacation pay for each year employed, accumulating to a vested amount of 4 weeks (160 hours). Upon retirement or termination of employment, the employee is entitled to payment. Consistent with the compensated absences reporting standards of GASB Statement No. 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave and vacation pay is included in the compensated absences liability at year-end. An estimate of the value of these future accumulated sick leave benefits is recognized as a long-term liability and future vacation pay is recognized as a current liability in the statement of net position.

School District of the Menomonee Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District OPEB plan and additions to/deductions from District fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments in AUL annuity contracts are reported on a cost-based measure.

District Pension Plans - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and the District defined benefit pension plan and additions to/deductions from the WRS' fiduciary net position and the District defined benefit pension plan's fiduciary net position have been determined on the same basis as they are reported by the WRS and the District defined benefit pension plan. 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, except for the investments in AUL annuity contracts, which are reported on a cost-based measure.

Restricted Assets

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

Net Position

For government-wide reporting, net position is reported in three categories.

Net investment in capital assets: This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category. Unspent portions of capital-related debt proceeds are not included in this category.

Restricted: This category consists of noncapital assets whose use is restricted, reduced by liabilities and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This category consists of the remaining net position that does not meet the definition of the two preceding categories.

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

School District of the Menomonee Area

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.

School District of the Menomonee Area

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. All property taxes are considered due on January 1 when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

School District of the Menomonie Area

Notes to Financial Statements

Note 3: Cash and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2021, none the District's bank balance of \$19,724,691 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

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 commercial paper and corporate bonds to not more than seven years.

Credit Risk: State Statute limits investments in commercial paper and corporate bonds 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 District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. More than 5% of the District's investments are in annuity contracts with American United Life Insurance Company. These investments are 77.3% of the District's total investments. The investments with American United Life Insurance Company also represent 100.0% of the total investments reported in the Employee Benefit Trust Fund.

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

	Maturities	Fair Value
Local Government Investment Pool Fund	73-day average	\$ 1,882,619
AUL Annuity Contract	N/A	6,428,758
Total investments		8,311,377
Net cash deposits with financial institutions carrying amount		19,283,329
Petty cash		775
Less - Cash and investments held by fiduciary funds		(6,428,758)
Cash and investments reported on statement of net position		\$ 21,166,723

School District of the Menomonie Area

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

The District is a participant in the 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 (SEC) 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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

Fair Value Measurements (Assets and Liabilities Measured at Fair Value)

This District has the following recurring fair value measurements as of June 30, 2021:

- U.S. Treasury bonds of \$1,000 are valued using Level 2 inputs.

Note 4: Interfund Balances and Activity

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

<i>Due From:</i>	<u>Due To:</u>			Total
	General Fund	Capital Projects Fund	Employee Benefit Trust Fund	
General Fund	\$ -	\$ 720,000	\$ 137,270	\$ 857,270
Food Service Fund	-	-	3,254	3,254
Employee Benefit Trust Fund	99,410	-	-	99,410
Total	\$ 99,410	\$ 720,000	\$ 140,524	\$ 959,934

The payable from the Employee Benefit Trust Fund to the General Fund is for unreimbursed postemployment benefits paid by the General Fund. The payable from the General Fund and the Food Service Fund to the Employee Benefit Trust Fund represent contributions to the trust that weren't physically completed by year-end. The payable from the General Fund to the Capital Projects Fund is to make a funding contribution for the long-term projects of the District.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

School District of the Menomonie Area

Notes to Financial Statements

Note 4: Interfund Balances and Activity (Continued)

Interfund transfers at June 30, 2021, were as follows:

<i>Transfer From:</i>	Transfer To:			Total
	Debt Service Fund	Capital Projects Fund	Food Service	
General Fund	\$ 37,668	\$ 720,000	\$ 2,295	\$ 759,963
Food Service Fund	8,269	-	-	8,269
Total	\$ 45,937	\$ 720,000	\$ 2,295	\$ 768,232

The purpose for the interfund transfer to the Debt Service Fund is to make the long-term debt payments relating to technology upgrades, building improvements, and equipment for the food service department. The purpose for the interfund transfer to the Capital Projects Fund is to fund the District's long-term capital improvement plan. The transfer to the Food Service Fund was to cover bad debts that were written off during the year.

School District of the Menomonie Area

Notes to Financial Statements

Note 5: Capital Assets

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 806,600	\$ -	\$ -	\$ 806,600
Construction in progress	39,590	-	(39,590)	-
Total capital assets not being depreciated	846,190	-	(39,590)	806,600
Capital assets being depreciated:				
Land improvements	2,694,470	-	(1,760)	2,692,710
Buildings and building improvements	77,135,469	336,780	(29,363)	77,442,886
Furniture and equipment	4,483,113	810,520	(445,269)	4,848,364
Total capital assets being depreciated	84,313,052	1,147,300	(476,392)	84,983,960
Less accumulated depreciation for:				
Land improvements	(1,034,082)	(89,106)	1,760	(1,121,428)
Buildings and building improvements	(27,694,620)	(1,877,450)	8,931	(29,563,139)
Furniture and equipment	(2,444,466)	(445,379)	300,746	(2,589,099)
Total accumulated depreciation	(31,173,168)	(2,411,935)	311,437	(33,273,666)
Total capital assets, being depreciated - Net of accumulated depreciation	53,139,884	(1,264,635)	(164,955)	51,710,294
Governmental activities capital assets - Net	\$ 53,986,074	\$ (1,264,635)	\$ (204,545)	\$ 52,516,894

School District of the Menomonie Area

Notes to Financial Statements

Note 5: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 10,510
Vocational instruction	4,378
Special education instruction	93
Other instruction	15,475
Pupil services	1,008
Instructional staff services	63,731
General administration services	13,762
Building administration services	368
Operations and maintenance of plant	799,846
School food service program	24,792
Central services	27,461
Other support services	97,715
Depreciation not charged to a specific function	1,352,796
<hr/>	
Total depreciation for governmental activities	\$ 2,411,935

Note 6: Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/20	Additions	Reductions	Balance 06/30/21	Amounts Due Within One Year
Bonds	\$ 26,935,000	\$ 11,670,000	\$ 13,421,000	\$ 25,184,000	\$ 2,010,000
Plus unamortized premium	295,969	-	130,461	165,508	-
Notes	4,455,000	-	1,415,000	3,040,000	-
<hr/>					
Subtotals	31,685,969	11,670,000	14,966,461	28,389,508	2,010,000
Capital leases	-	466,200	159,279	306,921	150,610
Compensated absences	65,207	67,869	65,206	67,870	59,413
<hr/>					
Totals	\$ 31,751,176	\$ 12,204,069	\$ 15,190,946	\$ 28,764,299	\$ 2,220,023

School District of the Menomonee Area

Notes to Financial Statements

Note 6: Long-Term Obligations (Continued)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2021, is comprised of the following individual issues:

	Governmental Activities			Balance 06/30/21
	Issue Dates	Interest Rates %	Dates of Maturity	
Refunding bonds	12/2/2020	0.85% -2.49%	3/1/2034	\$ 10,179,000
Taxable promissory notes	7/14/2014	0.00%	3/16/2024	3,040,000
Refunding bonds	1/7/2015	2.50% -3.00%	3/1/2027	7,520,000
Refunding bonds	12/28/2017	2.00% -3.00%	3/1/2033	7,485,000
Total general obligation debt*				\$ 28,224,000

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,228,962,056. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (10% of \$2,228,962,056)	\$ 222,896,206
Deduct:	
Long-term debt* applicable to debt margin	28,224,000
Add:	
Debt service fund assets available	431,866
Margin of indebtedness	\$ 195,104,072

School District of the Menomonie Area

Notes to Financial Statements

Note 6: Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2021, are as follows:

<i>Governmental Activities</i>				
<i>Year Ended June 30:</i>	Principal		Interest	Totals
2022	\$ 2,010,000	\$	627,078	\$ 2,637,078
2023	2,185,000		577,703	2,762,703
2024	2,162,000		550,876	2,712,876
2025	2,196,000		547,405	2,743,405
2026	2,261,000		483,393	2,744,393
2027-2031	10,616,000		1,689,811	12,305,811
2032-2034	6,794,000		372,238	7,166,238
Totals	\$ 28,224,000	\$	4,848,504	\$ 33,072,504

On December 2, 2020, the District issued \$11,670,000 in general obligation refunding bonds to refund \$11,295,000 in general obligation bonds. The refunding resulted in an economic gain of \$746,371 and a decrease in cash flow requirements of \$1,260,896.

In relation to the above refunding and in prior years, the District has defeased certain outstanding bonds by placing the proceeds from new bonds into an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account and defeased debt are not included in the District's financial statements. At June 30, 2021, \$19,890,000 of outstanding bonds are considered defeased. These bonds will be called and paid from the trust on March 1, 2023.

School District of the Menomonie Area

Notes to Financial Statements

Note 7: Leases

The District leases Chromebooks. The Chromebook lease, which expires on July 1, 2022, is classified as a capital lease. Furniture and equipment includes the following amounts for the leased equipment that have been capitalized.

	2021
Furniture and equipment	\$ 466,200
Less - Accumulated amortization	(93,240)
Totals	\$ 372,960

Lease amortization is included in depreciation expense.

Future minimum payments, by year and in the aggregate, under the capital lease with initial or remaining terms in excess of one year consisted of the following:

	Capital Lease
2022	\$ 162,228
2023	162,228
Total minimum lease payments	324,456
Amount representing interest	(17,535)
Present value of net minimum lease payments	306,921
Less - Current maturities	150,610
Long-term obligations under capital lease	\$ 156,311

School District of the Menomonie Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

Vesting

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

Benefits Provided

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

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

School District of the Menomonee Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

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

Contributions

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

During the reporting period, the WRS recognized \$1,378,709 in contributions from the employer.

School District of the Menomonee Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contributions (Continued)

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

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

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

At June 30, 2021, the District reported an asset of \$7,570,905 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.12126762%, which was a decrease of 0.00131534% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(806,503).

School District of the Menomonee Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,957,425	\$ 2,360,209
Net differences between projected and actual earnings on pension plan investments	-	14,213,758
Change in assumptions	171,722	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,724	21,353
Employer contributions subsequent to the measurement date	851,319	-
Total	\$ 11,998,190	\$ 16,595,320

\$851,319 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,392,012)
2023	(382,352)
2024	(2,580,218)
2025	(1,093,867)

School District of the Menomonee Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement adjustments*	1.9%

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

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

School District of the Menomonie Area

Notes to Financial Statements

Note 8: 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 arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.40%

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

School District of the Menomonee Area

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 7,206,453	\$ (7,570,905)	\$(18,424,765)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2021, the District reported a payable of \$497,027 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

School District of the Menomonie Area

Notes to Financial Statements

Note 9: District Pension Plan and Benefits

The District administers a single-employer defined benefit plan that provides pension benefits to eligible retirees as established by District policy. The School District Board manages the pension plan and has appointed the District Director of Business Services as trustee and MidAmerica Administrative and Retirement Solutions, Inc. as investment manager. As of June 30, 2019, the date of the latest actuarial study, there are 117 active plan members, 58 inactive plan members currently receiving benefits, and no inactive plan members entitled to but not yet receiving benefits. This plan is closed to new entrants.

The School Board has the authority to establish and amend the types of benefits provided through the pension plan. The District provides an early retirement stipend to employees who elect to retire beginning at age 55 with at least 15 years of service with the District. Benefits are based on employee classification, date of hire, and date of retirement. For all classes of employees the stipend shall be paid for a period of time not to exceed 60 months. The School Board determines the amount contributed to the trust. Currently the contribution equals the amount needed to pay current benefits plus an additional amount to prefund benefits, as funding is available. The plan does not issue a standalone report.

The pension plan investment policies and investment disclosures are discussed in Note 1 and Note 3. For June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.78%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net pension liability of the District at June 30, 2021, are as follows:

Total pension liability	\$ 2,680,350
Plan fiduciary net position	(904,848)
<hr/>	
Net pension liability	<u>\$ 1,775,502</u>

Plan fiduciary net position as a percentage of the total pension liability	33.8 %
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The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2021. The actuarial assumptions included an inflation rate of 2.00% and projected salary increases of 3.00%, average, including inflation. The investment rate of return was 2.25%, net of pension plan investment expense, including inflation. Mortality, disability, and retirement rates are from the WRS experience for public schools. Actuarial assumptions are based upon an experience study conducted in 2018 using WRS experience from 2015-2017.

School District of the Menomonee Area

Notes to Financial Statements

Note 9: District Pension Plan and Benefits (Continued)

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, (see discussion of the pension plan's investment policy) are summarized in the following table:

<i>Asset Class</i>	Long-Term Expected Real Rate of Return
AUL annuity contracts	2.25 %

The discount rate used to measure the total pension liability was 2.25% (same as in the prior year), and is equivalent to the Bond Buyer GO 20-year Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability for the year ended June 30, 2021, are as follows:

<i>Changes in Net Pension Liability</i>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2020	\$ 2,877,802	\$ 888,960	\$ 1,988,842
Changes for the year:			
Service cost	102,903	-	102,903
Interest	61,834	-	61,834
Changes in assumptions or other input	-	-	-
Contributions - Employer	-	362,189	(362,189)
Net investment income	-	15,888	(15,888)
Benefit payments	(362,189)	(362,189)	-
Net changes	(197,452)	15,888	(213,340)
Balances at June 30, 2021	\$ 2,680,350	\$ 904,848	\$ 1,775,502

School District of the Menomonie Area

Notes to Financial Statements

Note 9: District Pension Plan and Benefits (Continued)

The following presents the net pension liability of the District, calculated using the discount rate of 2.25%, as well as what the District's net pension 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%)
District's net pension liability	\$ 1,880,530	\$ 1,775,502	\$ 1,672,089

For the year ended June 30, 2021, the District recognized pension expense of \$202,024. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 79,017
Changes of assumptions	100,530	-
Net difference between projected and actual earnings on pension plan investments	23,729	-
Totals	\$ 124,259	\$ 79,017

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

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 12,280
2023	2,246
2024	29,894
2025	822

School District of the Menomonee Area

Notes to Financial Statements

Note 10: Other Postemployment Benefits

Defined Benefit Plan

The District administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees as established by District policy. The School District Board manages the OPEB plan and has appointed the District Director of Business Services as trustee and MidAmerica Administrative and Retirement Solutions, Inc. as investment manager. As of June 30, 2019, the date of the latest actuarial study, there are 285 active plan members, 64 inactive plan members currently receiving benefits, and no inactive plan members entitled to but not yet receiving benefits.

The School Board has the authority to establish and amend the types of benefits provided through the OPEB plan. The plan provides funds for medical benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive funds for medical benefits for up to 10 years or until they are eligible for Medicare. The School Board determines the amount contributed to the trust. Currently the contribution equals the amount needed to pay current benefits plus an additional amount to prefund benefits, as funding is available. The plan does not issue a standalone report.

The OPEB plan investment policies and investment disclosures are discussed in Note 1 and Note 3. Currently the plan is invested in AUL annuity contracts. For June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 1.79%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	\$ 6,840,068
Plan fiduciary net position	<u>(5,565,024)</u>
Net OPEB liability	<u>\$ 1,275,044</u>
Plan fiduciary net position as a percentage of the total OPEB liability	81.36 %

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2021. The actuarial assumptions included an inflation rate of 2.00% and projected salary increases of 3.00%, average, including inflation. The investment rate of return was 2.25%, net of OPEB plan investment expense, including inflation. The medical care trend at a rate of 7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.00% and level thereafter. Actuarial assumptions are based upon an experience study conducted in 2018 using WRS experience from 2015-2017.

School District of the Menomonie Area

Notes to Financial Statements

Note 10: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

The long-term expected rate of return on OPEB 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021, (see discussion of the plan's investment policy) are summarized in the following table:

<i>Asset Class</i>	Long-Term Expected Real Rate of Return
AUL annuity contracts	2.25 %

The discount rate used to measure the total OPEB liability was 2.25% (for the current and prior year), and is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

School District of the Menomonie Area

Notes to Financial Statements

Note 10: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

Changes in the net OPEB liability for the year ended June 30, 2021, were as follows:

<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, 2019	\$ 7,236,581	\$ 5,274,966	\$ 1,961,615
Changes for the year:			
Service cost	181,178	-	181,178
Interest	156,601	-	156,601
Changes in assumptions or other input	-	-	-
Contributions - Employer	-	925,641	(925,641)
Contributions - Retiree	20,748	20,748	-
Net investment income	-	98,709	(98,709)
Benefit payments	(755,040)	(755,040)	-
Net changes	(396,513)	290,058	(686,571)
Balances at June 30, 2020	\$ 6,840,068	\$ 5,565,024	\$ 1,275,044

The following presents the net OPEB liability of the District, calculated using the discount rate of 2.25%, as well as what the District's net OPEB liability would be if it were calculating 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 to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's net OPEB liability	\$ 1,459,190	\$ 1,275,044	\$ 1,096,165

School District of the Menomonee Area

Notes to Financial Statements

Note 10: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

The following represents the District's net OPEB liability calculated using the health care cost trend rate of 7.5% decreasing to 5.0%, as well as what the District's net OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (6.5% decreasing to 4.0%) or 1 percentage point higher (8.5% decreasing to 6.0%) than the current rate:

	1% Decrease (6.5% decreasing to 4.0%)	Health Care Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase to (8.5% decreasing to 6.0%)
District's net OPEB liability	\$ 1,138,513	\$ 1,275,044	\$ 1,425,151

For the year ended June 30, 2021, the District recognized OPEB expense of \$(86,159). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,258,691
Changes of assumptions or other input	244,058	70,017
Net difference between projected and actual earnings on OPEB plan investments	129,487	-
Total	\$ 373,545	\$ 2,328,708

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

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (303,100)
2023	(320,277)
2024	(340,762)
2025	(358,110)
2026	(362,934)
Thereafter	(269,980)

School District of the Menomonee Area

Notes to Financial Statements

Note 10: Other Postemployment Benefits (Continued)

Defined Contribution Plan

Based on individual contracts, the District also provides OPEB benefits to its employees through a defined contribution plan. The District will contribute up to 6% of the eligible employee's salary into a Health Reimbursement Arrangement (HRA) account. After the seventh year of employment, the employee becomes fully vested in the account. Amounts contributed on behalf of employees who leave prior to fully vesting, remain in the plan to be offset against future District required contributions. In accordance with these requirements, the District contributed \$396,109 during the current year, and no contributions were made by employees. The plan is administered by National Insurance Services.

Note 11: 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. The District insures through commercial insurance companies for all risks of loss, except for health and dental care. 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 year 2021.

The District has retained the risk of loss for its health program. The plan is accounted for in the General Fund of the District as required by the Department of Public Instruction. A third-party administrator is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. As part of the health care coverage, the District purchases stop-loss coverage, which pays claims in excess of \$80,000 per individual and/or 125% of the annual estimated claims as provided by Medica. For the year ended June 30, 2021, the aggregate claims limit was \$6,091,118.

At June 30, 2021, the District has recorded a \$1,305,781 liability, which represents accrued health insurance premiums for the current contract year and estimated outstanding claims incurred that were reported and unreported on or before June 30, 2021. This amount consists of accrued health insurance benefits for the current contract year of \$855,781 and outstanding claims, which were reported and unreported to the Plan Administrator of \$450,000. The amounts of reported and unreported claims for the District were estimated by the District.

	2021	2020
Unpaid claims at beginning of year	\$ 325,000	\$ 325,000
Current year claims	8,241,668	6,640,672
Claim payments	(8,116,668)	(6,640,672)
Unpaid claims at end of year	\$ 450,000	\$ 325,000

School District of the Menomonie Area

Notes to Financial Statements

Note 12: Jointly Governed Organization

The District is served by Cooperative Education Service Agency No. 11 (CESA). CESA is a regional service entity organized to serve the educational needs of 39 school districts in all or parts of Barron, Buffalo, Burnett, Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk, Rusk, St. Croix, Sawyer, and Washburn Counties. CESA is governed by an 11-member board of control elected from a delegate assembly, which consists of one school board member from each of the school districts in the CESA region, with special provisions made for areas served by union high/K-8 districts. Participating school districts have neither an ongoing financial interest nor responsibility. The District purchased \$753,061 of education services during the fiscal year. At June 30, 2021, due from other governments included \$395 to be received from CESA.

Note 13: Prior Year Restatement

As a results of implementing GASB Statement No. 84, the special revenue beginning fund balance was restated as follows:

	Governmental Activities	Other Governmental Funds	(Scholarship Trust) Private- Purpose Trust Fund
Balance at June 30, 2020, as previously reported	\$ 39,209,888	\$ 1,253,156	\$ 1,988
Adoption of GASB Statement No. 84 adjustment	242,823	242,823	(1,988)
Balance at June 30, 2020, as restated	\$ 39,452,711	\$ 1,495,979	\$ -

The total fund balance for the other governmental funds that was previously reported in the June 30, 2020 financial statements was \$2,673,290, which included the \$1,420,134 fund balance of the Debt Service Funds, which is reported as a major fund this year.

Required Supplementary Information

School District of the Menomonie Area

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

	Budgeted Amounts			Actual on Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Amendments	Final		
Revenues:					
Local	\$ 13,663,248	\$ -	\$13,663,248	\$13,548,415	\$ (114,833)
Interdistrict	590,333	(14,333)	576,000	570,726	(5,274)
Intermediate	17,550	-	17,550	16,100	(1,450)
State	24,847,311	9,216	24,856,527	24,893,901	37,374
Federal	1,282,152	3,358	1,285,510	1,329,050	43,540
Other	246,500	(169,317)	77,183	118,208	41,025
Total revenues	40,647,094	(171,076)	40,476,018	40,476,400	382
Expenditures:					
Instruction:					
Undifferentiated curriculum	7,936,233	(12,393)	7,923,840	7,770,610	153,230
Regular curriculum	8,498,287	(305,537)	8,192,750	7,924,181	268,569
Vocational instruction	917,091	20,985	938,076	890,714	47,362
Physical curriculum	903,688	-	903,688	858,192	45,496
Co-curricular activities	735,834	129,292	865,126	865,125	1
Other special needs	437,236	28	437,264	351,894	85,370
Total instruction	19,428,369	(167,625)	19,260,744	18,660,716	600,028
Support services:					
Pupil services	1,386,705	(9,195)	1,377,510	1,292,733	84,777
Instructional staff services	1,282,138	62,871	1,345,009	979,534	365,475
General administration services	881,650	(18,000)	863,650	759,574	104,076
Building administration services	2,252,780	(344,300)	1,908,480	1,796,004	112,476
Business services	6,741,233	503,391	7,244,624	7,244,624	-
Central services	270,540	(1,900)	268,640	224,757	43,883
Insurance	317,065	-	317,065	290,051	27,014
Debt service	162,228	-	162,228	162,228	-
Other support services	1,770,362	(146,655)	1,623,707	1,515,861	107,846
Total support services	15,064,701	46,212	15,110,913	14,265,366	845,547
Non-program transactions:					
Purchased instructional services	2,991,366	(196,760)	2,794,606	2,761,744	32,862
Other nonprogram transactions	14,510	183,295	197,805	196,305	1,500
Total non-program transactions	3,005,876	(13,465)	2,992,411	2,958,049	34,362
Total expenditures	37,498,946	(134,878)	37,364,068	35,884,131	1,479,937

School District of the Menomonie Area
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2021

	Original	Amendments	Final	Actual on Budgetary Basis	Variance With Final Budget Positive
Excess of revenues over expenditures	\$ 3,148,148	\$ (36,198)	\$ 3,111,950	\$ 4,592,269	\$ 1,480,319
Other financing sources (uses):					
Transfers out	(4,778,791)	(36,130)	(4,814,921)	(4,376,130)	438,791
Proceeds from sale of capital assets	27,000	-	27,000	22,304	(4,696)
Issuance of capital leases	466,200	-	466,200	466,200	-
Net other financing sources (uses)	(4,285,591)	(36,130)	(4,321,721)	(3,887,626)	434,095
Net change in fund balance	(1,137,443)	(72,328)	(1,209,771)	704,643	1,914,414
Fund balance - Beginning of year	15,295,849	-	15,295,849	15,295,849	-
Fund balance - End of year	\$ 14,158,406	\$ (72,328)	\$14,086,078	\$16,000,492	\$ 1,914,414

See Independent Auditor's Report.

See accompanying notes to the Budgetary Comparison Schedule - General Fund.

School District of the Menomonie Area

Notes to the Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (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.

School District of the Menomonie Area
Notes to the Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2021

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	\$ 40,476,400	\$ 2,804,719	\$ 43,281,119
Expenditures	(35,884,131)	(6,420,886)	(42,305,017)
Other financing sources (uses)	(3,887,626)	3,616,167	(271,459)
Net change in fund balance	\$ 704,643	\$ -	\$ 704,643

School District of the Menomonie Area

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.12126762 %	\$ (7,570,905)	\$ 19,936,330	(37.98)%	105.26 %
2019	0.12258296	(3,952,634)	19,578,729	(20.19)	102.96
2018	0.12340863	4,390,492	18,788,094	23.37	96.45
2017	0.12515005	(3,715,853)	18,296,793	(20.31)	102.93
2016	0.12907995	1,063,927	18,048,639	5.89	99.12
2015	0.13217146	2,147,761	18,109,800	11.86	98.20
2014	0.13384425	(3,287,581)	18,863,936	(17.43)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2021	\$ 1,378,709	\$ 1,378,709	\$ -	\$ 20,433,248	6.75 %
2020	1,338,695	1,338,695	-	20,067,924	6.67
2019	1,266,752	1,266,752	-	19,167,202	6.61
2018	1,246,268	1,246,268	-	18,492,969	6.74
2017	1,219,784	1,219,784	-	18,146,500	6.72
2016	1,207,716	1,207,716	-	18,082,820	6.68
2015	1,254,486	1,254,486	-	18,234,773	6.88

Notes to the Schedules:

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

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

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

See Independent Auditor's Report.

School District of the Menomonie Area
Schedule of Changes in the Employer's Net Pension
Liability and Related Ratios - District Pension Plan

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total pension liability:								
Service cost	\$ 102,903	\$ 106,493	\$ 102,444	\$ 145,409	\$ 140,131	\$ 140,131	\$ 126,880	\$ 126,880
Interest on the total pension liability	61,834	98,957	111,816	116,191	128,123	126,580	137,937	147,321
Differences between expected and actual experience	-	(25,532)	-	(191,085)	-	319,367	-	-
Changes of assumptions on other inputs	-	130,516	30,595	3,012	35,523	(66,744)	-	-
Benefit payments	(362,189)	(413,437)	(389,175)	(390,893)	(415,683)	(540,688)	(530,238)	(513,369)
Net change in total pension liability	(197,452)	(103,003)	(144,320)	(317,366)	(111,906)	(21,354)	(265,421)	(239,168)
Total pension liability - Beginning	2,877,802	2,980,805	3,125,125	3,442,491	3,554,397	3,575,751	3,841,172	4,080,340
Total pension liability - Ending	\$ 2,680,350	\$ 2,877,802	\$ 2,980,805	\$ 3,125,125	\$ 3,442,491	\$ 3,554,397	\$ 3,575,751	\$ 3,841,172
Plan fiduciary net position:								
Contributions - Employer	\$ 362,189	\$ 413,437	\$ 387,374	\$ 390,091	\$ 1,206,807	\$ 541,613	\$ 524,573	\$ 560,761
Net investment income	15,888	15,686	13,762	11,334	1,377	1,459	2,207	1,109
Benefit payments, including refunds of employee contributions	(362,189)	(413,437)	(389,175)	(390,893)	(415,683)	(540,688)	(530,238)	(564,554)
Net change in plan fiduciary net position	15,888	15,686	11,961	10,532	792,501	2,384	(3,458)	(2,684)
Plan fiduciary net position - Beginning	888,960	873,274	861,313	850,781	58,280	55,896	59,354	62,038
Plan fiduciary net position - Ending	\$ 904,848	\$ 888,960	\$ 873,274	\$ 861,313	\$ 850,781	\$ 58,280	\$ 55,896	\$ 59,354
District's net pension liability - Ending	\$ 1,775,502	\$ 1,988,842	\$ 2,107,531	\$ 2,263,812	\$ 2,591,710	\$ 3,496,117	\$ 3,519,855	\$ 3,781,818

School District of the Menomonie Area
Schedule of Changes in the Employer's Net Pension
Liability and Related Ratios - District Pension Plan (Continued)
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	33.76 %	30.89 %	29.30 %	27.56 %	24.71 %	1.64 %	1.56 %	1.55 %
Covered payroll	\$ 6,991,071	\$ 6,991,071	\$ 7,959,392	\$ 7,959,392	\$ 9,492,192	\$ 9,492,192	\$ 10,799,934	\$ 17,588,728
District's net pension liability as a percentage of covered payroll	25.40 %	28.45 %	26.48 %	28.44 %	27.30 %	36.83 %	32.59 %	21.50 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonie Area
Schedule of Employer Contributions - District Pension Plan
 Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 303,868	\$ 303,868	\$ 398,152	\$ 361,819	\$ 1,509,903	\$ 382,539	\$ 380,365	\$ 380,365
Contributions in relation to the actuarially determined contribution	362,189	413,437	387,374	390,091	1,206,807	541,613	524,573	560,761
Contribution deficiency (excess)	\$ (58,321)	\$ (109,569)	\$ 10,778	\$ (28,272)	\$ 303,096	\$ (159,074)	\$ (144,208)	\$ (180,396)
Covered payroll	\$ 6,991,071	\$ 6,991,071	\$ 7,959,392	\$ 7,959,392	\$ 9,492,192	\$ 9,492,192	\$ 10,799,934	\$ 17,588,728
Contributions as a percentage of covered payroll	5.18 %	5.91 %	4.87 %	4.90 %	12.71 %	5.71 %	4.86 %	3.19 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonie Area
Schedule of Investment Returns - District Pension Plan
 Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	1.78 %	1.74 %	1.51 %	1.40 %	1.55 %	1.30 %	1.83 %	1.82 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonie Area

Notes to Required Supplementary Information - District Pension Plan

Year Ended June 30, 2021

Note 1: Valuation Date

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

Note 2: Methods and Assumptions Used to Determine Contribution Rates

Measurement date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial cost method:	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method:	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period:	13 years	13 years	13 years	13 years
Asset valuation method:	Market value	Market value	Market value	Market value
Inflation:	2.0%	2.0%	2.5%	2.5%
Salary increases:	3.0%	3.0%	3.0%	3.0%
Investment rate of return:	2.25%	2.25%	3.75%	3.75%
Retirement age:	WRS 2018 mortality table	WRS 2018 mortality table	WRS 2012 mortality table	WRS 2012 mortality table
Mortality:	WRS 2018 mortality table	WRS 2018 mortality table	WRS 2012 mortality table	WRS 2012 mortality table

Measurement date:	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method:	Entry age normal	Entry age normal	Unit credit
Amortization method:	Level dollar	Level dollar	Level dollar
Remaining amortization period:	3 years	25 years	30 years
Asset valuation method:	Market value	Market value	Market value
Inflation:	2.5%	2.5%	4.0%
Salary increases:	3.0%	3.0%	4.0%
Investment rate of return:	3.5%	3.75%	5.0%
Retirement age:	WRS 2012 mortality table	Not listed	Not listed
Mortality:	WRS 2012 mortality table	Not listed	Not listed

Note 3: Changes in Benefits

There were no changes in benefits.

School District of the Menomonie Area

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios - District OPEB Plan

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:					
Service cost	\$ 181,178	\$ 196,660	\$ 189,581	\$ 230,205	\$ 230,205
Interest	156,601	298,215	330,925	396,453	407,445
Retiree contributions	20,748	40,983	54,408	-	37,095
Differences between expected and actual experience	-	(1,506,738)	-	(1,956,208)	-
Changes of assumptions or other input	-	261,143	61,422	(126,033)	-
Benefit payments including refunds of member contributions	(755,040)	(910,570)	(964,235)	(1,143,458)	(797,098)
Net change in total OPEB liability	(396,513)	(1,620,307)	(327,899)	(2,599,041)	(122,353)
Total OPEB liability - Beginning	7,236,581	8,856,888	9,184,787	11,783,828	11,906,181
Total OPEB liability - Ending	\$ 6,840,068	\$ 7,236,581	\$ 8,856,888	\$ 9,184,787	\$ 11,783,828
Plan fiduciary net position:					
Contributions - Employer	\$ 925,641	\$ 1,084,657	\$ 1,532,619	\$ 2,989,116	\$ 1,821,210
Contributions - Retiree	20,748	40,983	54,408	68,029	37,095
Net investment income	98,709	90,941	69,614	37,210	32,126
Benefit payments, including refunds of employee contributions	(755,040)	(910,570)	(964,235)	(1,143,458)	(797,098)
Net change in plan fiduciary net position	290,058	306,011	692,406	1,950,897	1,093,333
Plan fiduciary net position - Beginning	5,274,966	4,968,955	4,276,549	2,325,652	1,232,319
Plan fiduciary net position - Ending	\$ 5,565,024	\$ 5,274,966	\$ 4,968,955	\$ 4,276,549	\$ 2,325,652
District's net OPEB liability - Ending	\$ 1,275,044	\$ 1,961,615	\$ 3,887,933	\$ 4,908,238	\$ 9,458,176
Plan fiduciary net position as a percentage of the total OPEB liability	81.36 %	72.89 %	56.10 %	46.56 %	19.74 %
Covered-employee payroll	\$ 18,767,390	\$ 18,767,390	\$ 12,989,639	\$ 12,989,639	\$ 7,800,467
District's net OPEB liability as a percentage of covered-employee payroll	6.79 %	10.45 %	29.93 %	37.79 %	121.25 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonie Area
Schedule of Employer Contributions - District OPEB Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,366,047	\$ 1,366,047	\$ 1,587,027	\$ 3,588,771	\$ 1,878,080
Contributions in relation to the actuarially determined contribution	925,641	1,084,657	1,532,619	3,057,145	1,821,210
Contribution deficiency (excess)	\$ 440,406	\$ 281,390	\$ 54,408	\$ 531,626	\$ 56,870
Covered-employee payroll	\$ 18,767,390	\$ 18,767,390	\$ 12,989,639	\$ 12,989,639	\$ 7,800,467
Contributions as a percentage of covered-employee payroll	4.93 %	5.78 %	11.80 %	23.54 %	23.35 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonee Area

Schedule of Investment Returns - District OPEB Plan

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	1.79 %	1.80 %	1.65 %	1.42 %	1.97 %

*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

School District of the Menomonie Area

Notes to Required Supplementary Information - District OPEB Plan

Year Ended June 30, 2021

Note 1: Valuation date

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

Note 2: Methods and Assumptions Used to Determine Contribution Rates

Valuation date:	June 30, 2019	June 30, 2017	June 30, 2015
Actuarial cost method:	Entry age normal level percent of salary	Entry age normal level percent of salary	Entry age normal level percent of salary
Amortization method:	Level dollar	Level dollar	Level dollar
Remaining amortization period:	3 years	3 years	8 years
Asset valuation method:	Market value	Market value	Market value
Inflation:	2.0%	2.5%	3.0%
Health care trend rates:	7.50% initial, decreasing by 0.5% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter	7.50% initial, decreasing by 0.5% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter	7.50% initial, decreasing by 0.5% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Salary increases:	3.0% average, including inflation	3.0% average, including inflation	3.0% average, including inflation
Investment rate of return:	2.25%	3.75%	3.5%
Trend and retirement:	Wisconsin Retirement System (WRS) experience study from 2015-2017	Wisconsin Retirement System (WRS) experience study from 2012-2014	All of the demographic assumptions used in the actuarial study are approximately the same as those used in the December 31, 2013 Wisconsin Retirement System (WRS) annual report

Note 3: Changes in Benefits

There were no changes in benefits.

Supplementary Financial Information

School District of the Menomonee Area

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2020	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2021	Amount Provided to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
Child Nutrition Cluster:							
COVID-19 National School Lunch Program (Non-Cash Assistance) July 1, 2020-June 30, 2021	10.555	2021-173444-DPI-NSL-547	\$ -	\$ 139,099	\$ 139,099	\$ -	-
COVID-19 National School Lunch Area Eligible Snack Program July 1, 2020-June 30, 2021	10.555	2021-173444-DPI-NSLAE-566	-	2,154	2,183	29	-
TOTAL 10.555			-	141,253	141,282	29	-
COVID-19 Summer Food Service Program July 1, 2020-June 30, 2021	10.559	2021-173444-DPI-SFSP-566	159,056	2,256,871	2,238,078	140,263	-
TOTAL CHILD NUTRITION CLUSTER			159,056	2,398,124	2,379,360	140,292	-
Child & Adult Care Food Program July 1, 2020-June 30, 2021	10.558	2021-173444-DPI-AR-566	-	14,656	14,851	195	-
USDA FFVP October Public	10.582	2021-173444-DPI-FFVPOCTPUB-376	-	18,060	18,060	-	-
USDA FFVP July Public	10.582	2021-173444-DPI-FFVPJULPUB-594	-	1,774	1,774	-	-
Total 10.582			-	19,834	19,834	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			159,056	2,432,614	2,414,045	140,487	-

School District of the Menomonee Area

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2020	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2021	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
Special Education Cluster (IDEA)							
Special Education Grants to State July 1, 2020-June 30, 2021	84.027	2021-173444-DPI-IDEA-FT-341	\$ 254,681	\$ 696,984	\$ 814,579	\$ 372,276	-
Special Education Preschool Grants July 1, 2020-June 30, 2021	84.173	2021-173444-DPI-IDEA-P-347	3,432	20,437	25,898	8,893	-
Total Special Education Cluster (IDEA)			258,113	717,421	840,477	381,169	-
Title I Grants to Local Educational Agencies							
July 1, 2020-June 30, 2021	84.010	2021-173444-DPI-TIA-141	346,504	715,034	580,928	212,398	-
English Language Acquisition State Grant							
July 1, 2020-June 30, 2021	84.365	2021-173444-DPI-TIIIA-391	6,744	18,201	18,098	6,641	-
Improving Teacher Quality State Grants							
July 1, 2020-June 30, 2021	84.367	2021-173444-DPI-TIIA-365	22,492	71,715	71,850	22,627	-
Student Support and Academic Enrichment Grants							
July 1, 2020-June 30, 2021	84.424	2021-173444-DPI-TIV-A-381	3,205	33,798	34,587	3,994	-
COVID 19 - Elementary and Secondary School Emergency Relief							
July 1, 2020-June 30, 2021	84.425D	2021-173444-DPI-ESSERF-160	-	320,711	478,618	157,907	-

School District of the Menomonee Area
Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2020	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2021	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION (Continued)							
Career and Technical Education -							
Basic Grants to States							
July 1, 2020-June 30, 2021	84.048	2021-173444-DPI-CTE-400	\$ 21,183	\$ 31,418	\$ 24,267	\$ 14,032	\$ -
TOTAL U.S. DEPARTMENT OF EDUCATION			658,241	1,908,298	2,048,825	798,768	-
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
Wisconsin Department of Health Services							
Medicaid Cluster:							
Medical Assistance Program	93.778	N/A					
July 1, 2020-June 30, 2021			671	375,197	395,574	21,048	-
TOTAL MEDICAID CLUSTER			671	375,197	395,574	21,048	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			671	375,197	395,574	21,048	-
TOTAL FEDERAL AWARDS			\$ 817,968	\$ 4,716,109	\$ 4,858,444	\$ 960,303	\$ -

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Assistance.

School District of the Menomonie Area

Schedule of State Financial Assistance

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	State Identification Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2020	Cash Received	State Expenditures	Accrued (Deferred) Revenue 6/30/2021	Amount provided to Subrecipients
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Special Education and School Age Parents District Programs	255.101	173444-100	\$ -	\$ 1,515,102	\$ 1,515,102	\$ -	-
Total Special Education and School Age Parents			-	1,515,102	1,515,102	-	-
State School Lunch Aid	255.102	173444-107	-	15,920	15,920	-	-
Common School Fund Library Aid	255.103	173444-104	-	149,385	149,385	-	-
Bilingual Bicultural	255.106	173444-111	-	28,485	28,485	-	-
Gen Trans Aid for Public and NP Sch Pupils	255.107	173444-102	-	115,109	115,109	-	-
Equalization Aid	255.201	173444-116	356,478	21,419,640	21,400,654	337,492	-
High Cost Special Education	255.210	173444-119	-	10,315	10,315	-	-
Aid for School Mental Health Programs	255.227	173444-176	-	38,184	38,184	-	-
Supplemental Per Pupil Aid	255.245	173444-181	-	10,314	10,314	-	-
Special Education Transition Readiness Grants	255.257	173444-174	-	21,819	28,056	6,237	-
School Based Mental Health Services	255.297	173444-177	13,649	36,941	44,715	21,423	-
Peer Review and Mentoring	255.301	173444-141	8,789	13,196	16,770	12,363	-
State School Breakfast Aid	255.344	173444-108	-	16,743	16,743	-	-
Early College Credit Program	255.445	173444-178	-	2,139	2,139	-	-
Educator Effective Eval Sys Grants Public	255.940	173444-154	-	19,440	19,440	-	-
Career and Technical Education Incentive Grants	255.950	173444-152	-	36,692	36,692	-	-
Per Pupil Aid	255.945	173444-113	-	2,518,348	2,518,348	-	-
Assessments of Reading Readiness	255.956	173444-166	-	3,849	3,849	-	-
Aid for Special Education Transition Grant BBL	255.960	173444-168	-	17,000	17,000	-	-
Total Wisconsin Department of Public Instruction			378,916	25,988,621	25,987,220	377,515	-

School District of the Menomonee Area

Schedule of State Financial Assistance (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	State Identification Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2020	Cash Received	State Expenditures	Accrued (Deferred) Revenue 6/30/2021	Amount provided to Subrecipients
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
CESA #10							
Chippewa Valley Youth Apprenticeship	20.445(7)(b)	N/A	\$ -	\$ 16,100	\$ 16,100	\$ -	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES							
Payments in Lieu of Taxes	370.503	N/A	-	25,222	25,222	-	-
WISCONSIN DEPARTMENT OF JUSTICE							
School Safety Grant	455.206	N/A	39,926	140,550	100,624	-	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 418,842	\$ 26,170,493	\$ 26,129,166	\$ 377,515	\$ -

See Independent Auditor's Report.

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

School District of the Menomonie Area
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the District under programs of the federal and state government for the year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *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 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: Summary of Significant Accounting Policies

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

Note 3: Special Education and School Age Parents Program

2020-2021 eligible costs under the State Special Education Program were \$5,229,726.

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*

Board of Education
School District of the Menomonie Area
Menomonie, 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 School District of the Menomonie Area (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify a deficiency in internal control that we consider to be a material weakness and other deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-003 to be significant deficiencies.

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*.

Responses to Findings

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

Purpose of This Report

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

December 15, 2021
Eau Claire, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance

Board of Education
School District of the Menomonie Area
Menomonie, Wisconsin

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on 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

December 15, 2021
Eau Claire, Wisconsin

School District of the Menomonie Area

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> Yes <u> </u> No
Significant deficiency(ies) identified?	<u> X </u> Yes <u> </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes <u> X </u> No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	<u> </u> Yes <u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes <u> X </u> None Reported

Type of auditor's report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes <u> X </u> No
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Identification of major federal program(s)

AL Number	Name of Federal Program or Cluster
10.555 and 10.559	Child Nutrition Cluster
84.425	COVID-19 - Education Stabilization Fund
93.778	Medicaid Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

School District of the Menomonie Area

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

I. Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with *State of Wisconsin Single Audit Guidelines*?

_____ Yes X No

Identification of major state program(s):

State I.D. Number

Name of State Program

255.101

Special Education and School Age Parents

255.107

Pupil Transportation

255.201

General Equalization

Federal programs tested as major state programs:

93.778

Medicaid Cluster

School District of the Menomonie Area

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

II. Financial Statement Findings

2021-001: Segregation of Duties

Criteria - No one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition - Incompatible functions are currently being performed by the same individual.

Cause - Limited staff available and inadequate compensating controls.

Effect - Decreased likelihood that unauthorized, false, or incorrectly coded transactions will be prevented, or detected and corrected, in a timely fashion, which may result in misstated financial statements.

Recommendation - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response - The District does not have the resources available to increase staff size and address this internal control deficiency. The Board and management are aware of the incompatible duties and will continue to provide oversight and monitor the District's operations. In addition, the Board reviews monthly cash disbursements and bank reconciliations for oversight.

School District of the Menomonie Area

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

II. Financial Statement Findings (Continued)

2021-002: Financial Accounting and Reporting

Criteria - The District is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition - As part of our professional services for the year ended June 30, 2021, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause - The District does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect - As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the District as its own management.

Recommendation - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response - The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor's services and review and approve the financial statements and notes.

School District of the Menomonee Area

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

II. Financial Statement Findings (Continued)

2021-003: Adjustments

Criteria - Adjusting journal entries not prepared by the District's accounting department are considered to be an internal control weakness.

Condition - During our audit, Wipfli LLP proposed a number of adjusting journal entries. The adjusting journal entries did not have an effect on any completed grant contracts during the year. Since the District's internal controls did not discover these adjustments prior to our audit, a significant deficiency exists in the District's controls.

Cause - The District does not have policies and procedures in place to ensure that all transactions are recorded in the general ledger prior to the audit.

Effect - Proper recording and reporting of financial information may not occur within a timely manner.

Recommendation - We recommend that the individuals involved in the accounting function review the current year adjustments and take steps to eliminate them in the future.

Management's Response - The District will continue working to reduce the number of adjusting journal entries proposed by the auditor.

III. Federal Findings and Questioned Costs

None.

IV. State Findings and Questioned Costs

None.

School District of the Menomonie Area

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

V. Other Issues

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

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

Department of Public Instruction	No
Department of Justice	No
Department of Natural Resources	No
Department of Workforce Development	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

Rob Ganschow

Robert Ganschow, CPA, CFE

Date

December 15, 2021

School District of the Menomonie Area

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

Financial Statement Findings

2020-001: Segregation of Duties - See finding 2021-001.

2020-002: Financial Accounting and Reporting - See finding 2021-002.

2020-003: Adjustments - See finding 2021-003.

Federal Award Findings and Questioned Costs

None.

State Financial Assistance Findings and Questioned Costs

None.

“The School District of the Menomonie Area, by embracing the unique needs and using the strengths of our diverse community, is dedicated to preparing ALL students to become lifelong learners, caring individuals, and responsible citizens.”

December 15, 2021

School District of the Menomonie Area
215 Pine Avenue NE
Menomonie, WI 54751

The School District of the Menomonie Area submits the following corrective action plans for the identified findings and questioned costs for the year ended June 30, 2021.

Finding 2021-001: Segregation of Duties

Corrective Action Plan –

The District does not have the resources available to increase staff size and eliminate the internal control deficiency. The Board and management are aware of the incompatible duties and will continue to provide oversight and monitor the District’s operations. In addition, the Board reviews monthly cash disbursements and bank reconciliations for oversight.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Joseph Zydowsky

Finding 2021-002: Financial Accounting and Reporting

Corrective Action Plan –

The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor’s services and review and approve the financial statements and notes.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Joseph Zydowsky

Finding 2021-003: Adjustments

Corrective Action Plan –

The District does not have policies and procedures in place to ensure that all transactions are recorded in the general ledger prior to the audit. The District will review current year adjustments and continue working to reduce the number of adjusting journal entries proposed by the auditor.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Joseph Zydowsky

Respectfully submitted,



Joseph Zydowsky
District Administrator