

**UNIFIED SCHOOL DISTRICT OF DE PERE
DE PERE, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



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DE PERE, WISCONSIN
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DE PERE, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District of De Pere
De Pere, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified School District of De Pere, De Pere, Wisconsin (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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3.D., during 2021, the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. As a result, the District identified activities previously reported as fiduciary activities that no longer meet the definition of a fiduciary activity. In prior years, these amounts were reported in the pupil activity agency fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 52 through 60 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

As management of the Unified School District of De Pere we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows as of June 30, 2021 by \$66.4 million (net position).
- The statement of net position shows \$4.9M in accrued and other current liabilities which represents accruing payroll for teachers who opted to have their contract paid out over 24 pay periods (September – August) in contrast to being paid over 20 periods (September – June). Approximately 75% of our teachers opted to move to be paid over 24 pay periods.
- The District's total net position increased by \$3.1M, of which \$2.7M was from government activities and \$364,000 from business type activities.
- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$9.8M, a net decrease of \$3.4M in comparison with the prior year. Of that decline, \$1.6M can be attributed to paying for the High School Stadium improvements with donations and a capital improvement sinking fund and a net decrease of \$2.8M for referendum planned debt service payments. The general fund saw a net increase of \$98,000 from operations, an increase of \$303,000 in its special revenue funds
- The District contributed \$150,000 into the capital improvement sinking fund for future projects.
- Approximately 93% of this total amount, or \$9.1M, is available for spending at the District's discretion (unassigned fund balance) or for cash flow purposes to reduce the District's need to borrow money during low cash points of the year.
- As of June 30, 2021, unassigned fund balance for the general fund was \$9.1M, or approximately 17.3% of total general fund expenditures.
- The property tax rate decreased \$1.78 for the year ended June 30, 2021 to \$6.52 per thousand of property value versus \$8.30, representing a decrease of 21.5% compared to the prior year in large part to the decrease in scheduled debt payments of \$2.5M and the increase of \$169M in equalized value, (TIF out) of the District or 7.07%. This is the fourth year the District has seen growth in equalized value of over 5%.

Overview of the Basic Financial Statements

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

District-wide financial statements. The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The statement of activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.) Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include the District's basic services, such as regular and special education and various support services. The business-type activities of the District include food service and community service programs.

The district-wide financial statements can be found on pages 12 - 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial 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. Such information may be useful in evaluating the District's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing 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*.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund which is considered to be a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for all its governmental funds. As part of the required supplementary information, a budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 - 17 of this report.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Proprietary funds. The District maintains a single type of proprietary fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The District uses enterprise funds to account for its food service and community service programs.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Food Service and Community Service funds, both of which are considered to be nonmajor funds of the District.

The basic proprietary fund financial statements can be found on pages 18 - 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District does not have any fiduciary funds to report after implementing GASB 84 and transferring their activity into the donations special revenue fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 - 51 of this report.

Required supplementary information. The District adopts an annual appropriated budget for all its governmental funds. As part of the required supplementary information, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget. The budgetary comparison statements and the other post-employee benefit and pension schedules can be found on pages 52 - 60.

Other information. The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 61 - 64.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

District-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$66.4 million at the close of 2021 or an increase of \$2.8M over prior year.

Unified School District of De Pere's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current and Other Assets	\$ 26,079	\$ 24,888	\$ 648	\$ 245	\$ 26,727	\$ 25,133
Capital Assets (Net)	70,414	70,322	3	7	70,417	70,329
Total Assets	96,493	95,210	651	252	97,144	95,462
Deferred Outflows of Resources	17,027	11,793	-	-	17,027	11,793
Long-Term Liabilities Outstanding	18,829	20,942	-	-	18,829	20,942
Other Liabilities	6,869	6,788	187	151	7,056	6,939
Total Liabilities	25,698	27,730	187	151	25,885	27,881
Deferred Inflows of Resources	21,910	16,111	-	-	21,910	16,111
Net Position						
Net Investment in Capital Assets	63,832	59,252	3	7	63,835	59,259
Restricted	10,345	9,487	-	-	10,345	9,487
Unrestricted	(8,265)	(5,577)	461	94	(7,804)	(5,483)
Total Net Position	\$ 65,912	\$ 63,162	\$ 464	\$ 101	\$ 66,376	\$ 63,263

By far the largest portion of the District's net position (96%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; 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.

An additional portion of the District's net position (16%) represents resources that are subject to external restrictions on how they may be used.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Change in net position. The District's net position increased by \$2.8M, of this amount, the District was favorable \$2.45M from governmental activities and \$363,000 from Business Type Activities. Key elements of this increase are as follows:

Unified School District of De Pere's Change in Net Position (In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues						
Program Revenues						
Charges for Services	\$ 4,747	\$ 4,806	\$ 141	\$ 908	\$ 4,888	\$ 5,714
Operating Grants and Contributions	3,436	3,022	2,196	890	5,632	3,912
General Revenues						
Property Taxes	16,710	19,882	22	22	16,732	19,904
Grants and Contributions not Restricted to Specific Programs	28,913	27,011	-	-	28,913	27,011
Other	547	555	-	-	547	555
Total Revenues	54,353	55,276	2,359	1,820	56,712	57,096
Expenses						
Instruction	29,136	28,659	-	-	29,136	28,659
Support Services	16,277	16,982	-	-	16,277	16,982
Nonprogram	4,349	3,754	-	-	4,349	3,754
Interest on Long-Term Debt	103	189	-	-	103	189
Depreciation - Unallocated	2,042	1,872	-	-	2,042	1,872
Food Service	-	-	1,925	1,807	1,925	1,807
Community Service	-	-	71	84	71	84
Total Expenses	51,907	51,456	1,996	1,891	53,903	53,347
Transfers	-	(53)	-	53	-	-
Change in Net Position	2,446	3,767	363	(18)	2,809	3,749
Change in Accounting Principle	303	(775)	-	-	303	(775)
Net Position - July 1	63,162	60,170	101	119	63,263	60,289
NET POSITION - June 30	\$ 65,911	\$ 63,162	\$ 464	\$ 101	\$ 66,375	\$ 63,263

- Capital outlay exceeded depreciation by \$92K
- Deferred pension outflows (an asset) increased by \$4.8M
- Deferred pension inflows (a liability) increased by \$5.8M
- Net other postemployment benefits, supplemental and WRS net pension liability increased by \$3.5M

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$9.8M, a decrease of \$3.4M in comparison with the prior year. Approximately 93% of this amount, or \$9.1M, constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it has already been restricted (\$686k) for debt service and capital improvements, committed (\$36K) for trust obligations and purchase orders carried over from 2020-21.

The general fund is the main operating fund of the District. At the end of the current year, \$9.1M of the general fund balance was unassigned. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 17.3% of total general fund expenditures, increasing by .4% over the prior year-end.

The fund balance of the District's general fund increased by \$98,000 during the current year after transferring \$150,000 into its long term capital improvement fund.

Proprietary funds. The District's proprietary funds provide the same type of information found in the District's district-wide financial statements, but in more detail.

Both proprietary funds are nonmajor for financial statement purposes and are reported by each fund in the supplementary information. Net position of the Food Service Fund at the end of the year amounted to \$362,825. The net increase in net position was \$355,400 from its operations net of \$4,269 of depreciation. Net position of the Community Service Fund at the end of the year amounted to \$101,612. The total decrease in net position was \$8,142.

Other factors concerning the finances of these funds have already been addressed in the discussion of the District's business-type activities.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

General Fund Budgetary Highlights

Generally the original budget is rarely modified. The District modified its original budget for 2020-21 to reflect relatively minor changes in funding levels for levy, state and federal grant programs and the purchase of technology equipment including the replacement of chrome books.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$70.4M (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, and machinery and equipment. The total increase in the District's investment in capital assets for the current year was approximately \$92K compared to prior year.

Unified School District of De Pere's Capital Assets (net of accumulated depreciation - in thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
Land	\$ 4,027	\$ 3,962	\$ -	\$ -	\$ 4,027	\$ 3,962
Construction Work in Progress	-	1,433	-	-	-	1,433
Land Improvements	2,155	1,702	-	-	2,155	1,702
Buildings	62,288	61,185	-	-	62,288	61,185
Machinery and Equipment	1,944	2,040	3	7	1,947	2,047
Total	\$ 70,414	\$ 70,322	\$ 3	\$ 7	\$ 70,417	\$ 70,329

Major capital assets acquired or constructed during the year include:

- Finalized work on classrooms at Dickinson for \$320,000
- Finalized work on High School Stadium Improvement Project for \$3,090,200
- Purchased 1602 Chicago Street – a lot that was surrounded by District Property \$65,000
- Various pieces of Buildings and Grounds equipment for \$83,040

Long-term obligations. At the end of the current fiscal year, the District had total general obligation debt outstanding of \$6,454,000.

Unified School District of De Pere's Long Term Obligation (in thousands)		
	Governmental Activities	
	2020-21	2019-20
General Obligation Debt		
Bonds	\$ -	\$ 2,790
Notes	5,750	7,015
State Trust Fund Loan	431	115
Total General Obligation Debt	\$ 6,181	\$ 9,920
Debt Premium	117	177
Capital Leases	43	113
Compensated Absences	113	95
	\$ 6,454	\$ 10,305

The District's total general obligation debt declined by approximately \$3,739,000 (38%) during the current fiscal year due to planned principal payments.

**UNIFIED SCHOOL DISTRICT OF DE PERE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

State statutes limit the amount of general obligation debt the District may issue to 10% of its total equalized valuation. The current debt limitation for the District is \$254.7 million, which is significantly higher than the District's current \$6.181 million in outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in our region compare favorably to national indices.
- The District continues to experience enrollment growth. The enrollment projections indicate the enrollment will continue to increase during the course of the next five years due to housing development being planned in several municipalities in the District.
- Reduction in state aid will have a significant impact on the District.
- Planning for the risks and uncertainties due to a worldwide pandemic of COVID-19.

All of these factors were considered in preparing the District's budget for the 2021-2022 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dawn Foeller, Director of Business Services, c/o Unified School District of De Pere, 1700 Chicago Street, De Pere, Wisconsin 54115

BASIC FINANCIAL STATEMENTS

UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 11,152,715	\$ 481,739	\$ 11,634,454
Receivables			
Taxes	4,109,460	-	4,109,460
Accounts	92,500	-	92,500
Due from Other Governments	1,291,964	134,341	1,426,305
Inventories and Prepaid Items	450	31,899	32,349
Net Pension Asset	9,431,532	-	9,431,532
Capital Assets			
Nondepreciable	4,027,278	-	4,027,278
Depreciable, Net	66,386,829	2,995	66,389,824
Total Assets	96,492,728	650,974	97,143,702
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	16,278,069	-	16,278,069
Other Postemployment Related Amounts	748,606	-	748,606
Total Deferred Outflows of Resources	17,026,675	-	17,026,675
LIABILITIES			
Accounts Payable	1,320,595	70,706	1,391,301
Accrued and Other Current Liabilities	4,921,178	-	4,921,178
Accrued Interest Payable	13,564	-	13,564
Unearned Revenues	-	115,831	115,831
Health and Dental Claims Payable	614,104	-	614,104
Long-Term Obligations			
Due in One Year	1,404,638	-	1,404,638
Due in More Than One Year	5,049,378	-	5,049,378
Other Postemployment Benefits Liability			
Due in One Year	113,946	-	113,946
Due in More Than One Year	4,659,894	-	4,659,894
Net Pension Liability			
Due in One Year	347,521	-	347,521
Due in More Than One Year	7,253,291	-	7,253,291
Total Liabilities	25,698,109	186,537	25,884,646
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	21,407,732	-	21,407,732
Other Postemployment Related Amounts	501,964	-	501,964
Total Deferred Inflows of Resources	21,909,696	-	21,909,696
NET POSITION			
Net investment in Capital Assets	63,831,933	2,995	63,834,928
Restricted			
Donations	566,805	-	566,805
Debt Retirement	196,791	-	196,791
Capital Improvements	150,037	-	150,037
Pension Benefits	9,431,532	-	9,431,532
Unrestricted	(8,265,500)	461,442	(7,804,058)
Total Net Position	\$ 65,911,598	\$ 464,437	\$ 66,376,035

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	\$ 29,136,127	\$ 4,683,301	\$ 1,922,719	\$ (22,530,107)	\$ -	\$ (22,530,107)
Support Services	16,277,049	63,703	1,008,612	(15,204,734)	-	(15,204,734)
Nonprogram	4,348,727	-	504,512	(3,844,215)	-	(3,844,215)
Interest and Fiscal Charges	103,524	-	-	(103,524)	-	(103,524)
Depreciation - Unallocated	2,041,013	-	-	(2,041,013)	-	(2,041,013)
Total Governmental Activities	51,906,440	4,747,004	3,435,843	(43,723,593)	-	(43,723,593)
Business-Type Activities						
School Food Service Program	1,924,929	84,113	2,196,216	-	355,400	355,400
Community Service Program	70,797	56,479	-	-	(14,318)	(14,318)
Total Business-Type Activities	1,995,726	140,592	2,196,216	-	341,082	341,082
Total School District	<u>\$ 53,902,166</u>	<u>\$ 4,887,596</u>	<u>\$ 5,632,059</u>	(43,723,593)	341,082	(43,382,511)
GENERAL REVENUES						
Property Taxes				16,710,056	22,460	16,732,516
State and Federal Aids not Restricted to Specific Functions				28,913,079	-	28,913,079
Interest and Investment Earnings				26,942	-	26,942
Gain on Disposal of Capital Assets				5,800	-	5,800
Miscellaneous				514,162	-	514,162
Total General Revenues				46,170,039	22,460	46,192,499
CHANGE IN NET POSITION				2,446,446	363,542	2,809,988
Net Position - July 1, as Originally Stated				63,161,822	100,895	63,262,717
Cumulative Effect of Change in Accounting Principle				303,330	-	303,330
Net Position - July 1, as Restated				63,465,152	100,895	63,566,047
NET POSITION - JUNE 30				<u>\$ 65,911,598</u>	<u>\$ 464,437</u>	<u>\$ 66,376,035</u>

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 10,210,118	\$ 942,597	\$ 11,152,715
Receivables			
Taxes	4,109,460	-	4,109,460
Accounts	92,500	-	92,500
Due from Other Governments	1,291,964	-	1,291,964
Inventories and Prepaid Items	450	-	450
	<u>\$ 15,704,492</u>	<u>\$ 942,597</u>	<u>\$ 16,647,089</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,064,195	\$ 256,400	\$ 1,320,595
Accrued and Other Current Liabilities	4,921,178	-	4,921,178
Health and Dental Claims Payable	614,104	-	614,104
Total Liabilities	<u>6,599,477</u>	<u>256,400</u>	<u>6,855,877</u>
FUND BALANCES			
Nonspendable	450	-	450
Restricted	-	686,197	686,197
Committed	35,938	-	35,938
Unassigned	9,068,627	-	9,068,627
Total Fund Balances	<u>9,105,015</u>	<u>686,197</u>	<u>9,791,212</u>
	<u>\$ 15,704,492</u>	<u>\$ 942,597</u>	<u>\$ 16,647,089</u>

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Total Governmental Fund Balance	\$ 9,791,212
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	70,414,107
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	16,278,069
Deferred Inflows Related to Pensions	(21,407,732)
Deferred Outflows Related to Other Postemployment Benefits	748,606
Deferred Inflows Related to Other Postemployment Benefits	(501,964)
Long-term assets not considered available; and therefore, are not reported in the funds:	
WRS Net Pension Asset	9,431,532
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(6,181,228)
Capital Lease Payable	(42,846)
Premium on Debt	(117,100)
Compensated Absences	(112,842)
Other Postemployment Benefits Liability	(4,773,840)
Supplemental Pension Liability	(7,600,812)
Accrued Interest on Long-Term Obligations	(13,564)
Net Position of Governmental Activities as Reported on the Statement of Net Position (See Page 12)	<u><u>\$ 65,911,598</u></u>

UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Other Governmental Funds	Total
REVENUES			
Property Taxes	\$ 15,302,611	\$ 1,407,445	\$ 16,710,056
Other Local Sources	142,591	331,212	473,803
Interdistrict Sources	4,747,121	-	4,747,121
Intermediate Sources	223,070	-	223,070
State Sources	30,457,785	-	30,457,785
Federal Sources	1,569,127	-	1,569,127
Other Sources	165,457	667	166,124
Total Revenues	<u>52,607,762</u>	<u>1,739,324</u>	<u>54,347,086</u>
EXPENDITURES			
Instruction:			
Regular Instruction	22,870,958	8,636	22,879,594
Vocational Instruction	1,591,110	463	1,591,573
Special Education Instruction	3,675,659	-	3,675,659
Other Instruction	1,907,730	639,418	2,547,148
Total Instruction	<u>30,045,457</u>	<u>648,517</u>	<u>30,693,974</u>
Support Services:			
Pupil Services	2,572,347	127	2,572,474
Instructional Staff Services	2,647,153	-	2,647,153
General Administration Services	592,642	-	592,642
School Administration Services	2,733,153	-	2,733,153
Business Services	715,936	-	715,936
Operations and Maintenance of Plant	4,977,412	1,176,833	6,154,245
Pupil Transportation Services	1,306,006	-	1,306,006
Central Services	614,150	257	614,407
Insurance	444,269	-	444,269
Other Support Services	1,264,892	-	1,264,892
Total Support Services	<u>17,867,960</u>	<u>1,177,217</u>	<u>19,045,177</u>
Debt Service:			
Principal	70,316	4,090,795	4,161,111
Interest and Fiscal Charges	8,064	166,022	174,086
Total Debt Service	<u>78,380</u>	<u>4,256,817</u>	<u>4,335,197</u>
Nonprogram:			
General Tuition Payments	2,556,527	-	2,556,527
Special Education Tuition Payments	1,313,417	-	1,313,417
Adjustments and Refunds	4,650	-	4,650
Voucher Payments	474,133	-	474,133
Total Nonprogram	<u>4,348,727</u>	<u>-</u>	<u>4,348,727</u>
Total Expenditures	<u>52,340,524</u>	<u>6,082,551</u>	<u>58,423,075</u>
Excess of Revenues Over (Under) Expenditures	267,238	(4,343,227)	(4,075,989)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	352,023	352,023
Proceeds from Sale of Capital Assets	5,800	-	5,800
Transfers In	-	174,947	174,947
Transfers Out	(174,947)	-	(174,947)
Total Other Financing Sources (Uses)	<u>(169,147)</u>	<u>526,970</u>	<u>357,823</u>
NET CHANGES IN FUND BALANCES			
	<u>98,091</u>	<u>(3,816,257)</u>	<u>(3,718,166)</u>
Fund Balances- July 1, as Originally Stated	9,006,924	4,199,124	13,206,048
Cumulative Effect of Change in Accounting Principle	-	303,330	303,330
Fund Balances - July 1, as Restated	<u>9,006,924</u>	<u>4,502,454</u>	<u>13,509,378</u>
FUND BALANCES - JUNE 30	<u>\$ 9,105,015</u>	<u>\$ 686,197</u>	<u>\$ 9,791,212</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances, Governmental Funds \$ (3,718,166)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures Reported in Governmental Fund Statements	2,132,881
Depreciation Expense Reported in the Statement of Activities	(2,041,013)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(352,023)
Principal Repaid	4,090,795
Capital Leases Paid	70,316

Some expenses 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:

Accrued Interest on Long-Term Debt	11,165
Amortization of Premiums	59,397
Compensated Absences	(17,706)
Net Pension Asset/Liability	3,534,354
Deferred Outflows of Resources Related to Pensions	4,802,735
Deferred Inflows of Resources Related to Pensions	(5,848,288)
Other Postemployment Benefits Liability	(758,899)
Deferred Outflows of Resources Related to Other Postemployment Benefits	431,409
Deferred inflows of resources related to other Postemployment Benefits	49,489
	49,489

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 13) \$ 2,446,446

**UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF NET POSITION —
PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>Other Enterprise Funds</u>
ASSETS	
Cash and Investments	\$ 481,739
Due from Other Governments	134,341
Inventories and Prepaid Items	31,899
Capital Assets	
Depreciable, Net	2,995
Total Assets	<u>650,974</u>
LIABILITIES	
Accounts Payable	70,706
Unearned Revenues	115,831
Total Liabilities	<u>186,537</u>
NET POSITION	
Investment in Capital Assets	2,995
Unrestricted	<u>461,442</u>
Total Net Position	<u><u>\$ 464,437</u></u>

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON —
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Other Enterprise Funds</u>
OPERATING REVENUES	
Food Sales	\$ 89,662
Local Sources	56,479
State Sources	20,087
Federal Sources	2,170,580
Total Operating Revenues	<u>2,336,808</u>
OPERATING EXPENSES	
Salaries, Wages and Benefits	854,851
Purchased Services	30,398
Supplies and Materials	1,047,498
Other	58,710
Depreciation	4,269
Total Operating Expenses	<u>1,995,726</u>
OPERATING INCOME (LOSS)	341,082
NONOPERATING REVENUES	
Property Taxes	<u>22,460</u>
CHANGE IN NET POSITION	363,542
Net Position - Beginning of Year	<u>100,895</u>
NET POSITION - END OF YEAR	<u><u>\$ 464,437</u></u>

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
STATEMENT OF CASH FLOWS —
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Other Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	\$ 139,407
Cash Received from Other Government Payments	2,157,842
Cash Received from Other Funds	(1,666)
Cash Payments to Employees	(854,851)
Cash Payments to Suppliers	(1,079,786)
Net Cash Provided (Used) by Operating Activities	<u>360,946</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	<u>22,460</u>
CHANGE IN CASH AND CASH EQUIVALENTS	383,406
Cash and Cash Equivalents - Beginning of Year	<u>98,333</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 481,739</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 341,082
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	4,269
Change in Operating Assets and Liabilities:	
Accounts Receivables	3,690
Inventories	10,598
Due from Other Governments	(32,825)
Accounts Payable	46,222
Due to (From) Other Funds	(1,666)
Unearned Revenue	(10,424)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 360,946</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES	
Commodities Received from U.S. Department of Agriculture	<u><u>\$ 181,152</u></u>

See accompanying Notes to Basic Financial Statements.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Unified School District of De Pere, De Pere, Wisconsin (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (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:

A. Reporting Entity

The District is organized as a unified school district. The District, governed by an elected seven member board, operates grades 4K through 12 and is comprised of all or parts of seven taxing districts. In accordance with GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The District has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. District-Wide and Fund Financial Statements

The District reports the following major governmental funds:

General Fund

This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The District reports no major proprietary funds. The District uses enterprise funds to account for transactions of the food service and community service funds.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes

The aggregate District tax levy is apportioned and certified in November 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 must be paid in full or in 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 the subsequent month, the District is 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 fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for nonpayment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Accounts Receivable

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

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

5. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	20 to 30	-
Buildings and Improvements	20 to 50	-
Machinery and Equipment	5 to 20	5 to 20

8. Compensated Absences

The District's policy allows unlimited accumulation of sick days. However, unused accumulated sick time is forfeited upon retirement or termination of employment. Accumulated vacation time is prorated and paid to employees upon retirement or termination of employment during the fiscal year. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

9. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

10. Long-term Obligations

In the district-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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.

11. Pensions

Wisconsin Retirement System

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplemental Pension Plan

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

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying teachers and administrators are provided with other postemployment benefits. The OPEB is a single-employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

13. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable

Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

Restricted

Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Committed

Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.

Assigned

Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the District administrator to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned

Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

District-wide and Proprietary Fund Statements

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

Net Investment in Capital Assets

Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted Net Position

Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Net position that is neither classified as restricted nor as net investment in capital assets.

- E. Use of Estimates

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

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The donations, debt service, and capital projects funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. All other funds share in common bank and investment accounts.

The District policy for investments generally follows Wisconsin Statutes.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash and investments totaled \$11,634,454 on June 30, 2021 as summarized below:

Deposits with Financial Institutions	\$ 11,606,261
Investments	
Wisconsin Investment Series Cooperative (WISC)	<u>28,193</u>
Total	<u><u>\$ 11,634,454</u></u>

Reconciliation to the basic financial statements:

District-Wide Statement of Net Position	
Cash and Investments	<u><u>\$ 11,634,454</u></u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District currently has no investments that are subject to fair value measurement.

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the District's deposits and investments and the related risks.

Custodial Credit Risk

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

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2021, \$10,921,948 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits. \$9,508,262 of this amount was collateralized with securities held by the pledging financial institution.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
WISC	\$ 28,193	\$ -	\$ -	\$ -	\$ 28,193

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
WISC	\$ 28,193	\$ 28,193	\$ -	\$ -	\$ -

Investment in Wisconsin Investment Series Cooperative

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$28,193 at year-end consisting of \$814 invested in the Cash Management Series, and \$27,379 invested in the Investment Series. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14-day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Investment Series Cooperation (Continued)

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

B. Capital Assets

Capital asset activity for the year ended June 30 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 3,962,278	\$ 65,000	\$ -	\$ 4,027,278
Construction in Progress	1,432,689	-	1,432,689	-
Total Capital Assets, Nondepreciable	5,394,967	65,000	1,432,689	4,027,278
Capital Assets, Depreciable:				
Land Improvements	4,438,644	739,670	142,000	5,036,314
Buildings and Improvements	91,620,882	2,677,859	1,284,275	93,014,466
Machinery and Equipment	11,704,625	83,041	-	11,787,666
Subtotals	107,764,151	3,500,570	1,426,275	109,838,446
Less Accumulated Depreciation for:				
Land Improvements	2,736,764	286,199	142,000	2,880,963
Buildings and Improvements	30,435,989	1,574,923	1,284,275	30,726,637
Machinery and Equipment	9,664,126	179,891	-	9,844,017
Subtotals	42,836,879	2,041,013	1,426,275	43,451,617
Total Capital Assets, Depreciable, Net	64,927,272	1,459,557	-	66,386,829
Governmental Activities Capital Assets, Net	\$ 70,322,239	\$ 1,524,557	\$ 1,432,689	70,414,107
Less: Capital Related Debt and Accounts Payable				6,582,174
Net Investment in Capital Assets				\$ 63,831,933
Business-Type Activities:				
Capital Assets, Depreciable:				
Machinery and Equipment	\$ 730,958	\$ -	\$ -	\$ 730,958
Less Accumulated Depreciation for:				
Machinery and Equipment	723,694	4,269	-	727,963
Business-Type Activities Capital Assets, Net	\$ 7,264	\$ (4,269)	\$ -	\$ 2,995

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

There are no interfund receivables and payables as of June 30, 2021.

Interfund transfers for the year ended June 30, 2021 were as follows:

Fund	Transfer In	Transfer Out
General	\$ -	\$ 174,947
Nonreferendum Debt Service	24,947	-
Capital Improvement Trust	150,000	-
Total	<u>\$ 174,947</u>	<u>\$ 174,947</u>

Interfund transfers were made for the following purposes:

For Debt Payments	\$ 24,947
To Fund Future Capital Projects	150,000
Total	<u>\$ 174,947</u>

D. Short-Term Obligations

The District issued tax and revenue anticipation promissory notes in advance of property tax collections. The notes are needed because District expenses for the year begin in July whereas tax collections are not received until January. Short-term debt activity for the year ended June 30, 2021 was as follows:

	Outstanding 7/1/20	Issued	Retired	Outstanding 6/30/21
Tax and Revenue Anticipation Promissory Note	<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ -</u>

Total interest paid for the year on short-term debt totaled \$1,839.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Bonds	\$ 2,790,000	\$ -	\$ 2,790,000	\$ -	\$ -
Notes	7,015,000	-	1,265,000	5,750,000	1,290,000
Direct Borrowing:					
State Trust Fund Loan	115,000	352,023	35,795	431,228	42,517
Total General Obligation Debt	9,920,000	352,023	4,090,795	6,181,228	1,332,517
Debt Premium	176,497	-	59,397	117,100	29,275
Capital Leases	113,162	-	70,316	42,846	42,846
Compensated Absences	95,136	17,706	-	112,842	-
Governmental Activities					
Long-Term Obligations	<u>\$ 10,304,795</u>	<u>\$ 369,729</u>	<u>\$ 4,220,508</u>	<u>\$ 6,454,016</u>	<u>\$ 1,404,638</u>

The District's outstanding notes from direct borrowings related to governmental activities of \$431,228 are subject to a statutory provision that in an event of late or nonpayment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

Total interest paid during the year on long-term debt totaled \$166,022.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/21
General Obligation Notes	5/10/16	4/1/26	1.25% - 2.0%	\$ 9,600,000	\$ 5,750,000
State Trust Fund Loan	2/4/20	3/15/29	3.25%	115,000	79,205
State Trust Fund Loan	9/16/20	3/15/30	3.00%	352,023	352,023

Total Outstanding General Obligation Debt \$ 6,181,228

Annual principal and interest maturities of the outstanding general obligation debt of \$6,181,228 on June 30, 2021 are detailed below:

<u>Year Ending June 30.</u>	Governmental Activities				
	Bonds and Notes		Direct Borrowing		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,290,000	\$ 115,000	\$ 42,517	\$ 18,343	\$ 1,465,860
2023	1,310,000	337,600	49,032	11,828	1,708,460
2024	1,340,000	63,000	50,507	10,353	1,463,860
2025	1,370,000	36,200	52,083	8,777	1,467,060
2026	440,000	8,800	53,680	7,180	509,660
2027-2030	-	32,881	183,409	13,406	229,696
Total	<u>\$ 5,750,000</u>	<u>\$ 593,481</u>	<u>\$ 431,228</u>	<u>\$ 69,887</u>	<u>\$ 6,844,596</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2021 was \$254,706,134 as follows:

Equalized Valuation of the District	\$ 2,608,873,624
Statutory Limitation Percentage	<u>(x) 10%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	260,887,362
Net Outstanding General Obligation Debt Applicable to Debt Limitation	<u>6,181,228</u>
Legal Margin for New Debt	<u><u>\$ 254,706,134</u></u>

Capital Leases

The District is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$338,048 and the related accumulated depreciation is \$241,463 as of June 30, 2021.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at June 30:

<u>Year Ending June 30,</u>	<u>Governmental</u>
2022	<u>Activities</u>
Less: Amount Representing Interest	\$ 45,199
Present Value of Future Minimum Lease Payments	<u>2,353</u>
	<u><u>\$ 42,846</u></u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans

The District reports pension related balances at June 30, 2021, as summarized below:

	Pension Asset	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Wisconsin Retirement System (WRS)	\$ 9,431,532	\$ -	\$ 14,785,485	\$ 20,667,291	\$ 1,006,739
Supplemental Pension Plan	-	7,600,812	1,492,584	740,441	614,237
Total Pension Liability	<u>\$ 9,431,532</u>	<u>\$ 7,600,812</u>	<u>\$ 16,278,069</u>	<u>\$ 21,407,732</u>	<u>\$ 1,620,976</u>

1. WRS Pension

Plan Description

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

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

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.

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

Final average earnings is the average of the participant's three highest annual earning 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.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

Plan Description (Continued)

Vested participants may retire at 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:

<u>Year Ended June 30,</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

Contributions

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

During the year ending June 30, 2021, the WRS recognized \$1,730,275 in contributions from the District.

Contribution rates for the reporting period are:

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

At June 30, 2021, the District reported an asset of \$9,431,532 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.15107036%, which was a decrease of 0.00148924% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,006,739.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 13,650,322	\$ 2,940,254
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	17,706,932
Changes in Assumptions	213,925	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12,291	20,105
Employer Contributions Subsequent to the Measurement Date	908,947	-
Total	<u>\$ 14,785,485</u>	<u>\$ 20,667,291</u>

\$908,947 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Expense</u>
2022	\$ (1,747,517)
2023	(476,152)
2024	(3,207,380)
2025	(1,359,704)
Total	<u>\$ (6,790,753)</u>

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:

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

Actuarial Assumptions (Continued)

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

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

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

Actuarial Assumptions (Continued)

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core Fund Asset Class			
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%
Cash	-15.0%	0.9%	N/A
Total Core Fund	100.0%	6.6%	4.1%
Variable Fund Asset Class			
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 US CPI (Inflation) Forecast: 2.4%

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

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability for the current year and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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 benefits payments to determine the total pension liability.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) 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)	\$ 8,977,511	\$ (9,431,532)	\$ (22,952,837)

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

Payable to the Pension Plan

At June 30, 2021, the District reported a payable of \$519,680 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2021.

2. Supplemental Pension Plan

Pension Description

The plan, a single-employer pension plan, is a defined benefit pension plan established to provide benefits after early retirement. The plan is administered by the District. The plan does not issue separate financial statements.

Benefits Provided

A summary of eligibility requirements and plan benefits follows:

Administrators are eligible at age 55 with a minimum of 15 years of administrative experience, 10 of which must be with the District. Upon retirement, the District shall make a contribution into the retiree's 403(b). The amount of this contribution is equivalent to 2.5% of the administrative base rate times 60.

Teachers are eligible at age 55 with a minimum of 20 years of service with the District. Teachers may choose, via annual Section 125 election, to receive upon their retirement the cash equivalent of the medical benefits.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	24
Active Employees	340
Total	364

Funding Policy

The entire cost of these benefits is paid by the District. Benefits are currently funded on a pay-as-you-go basis and no assets exist to prefund retiree benefits.

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

Component	Amount
Total Pension Liability at July 1, 2020	\$ 6,622,852
Changes for the Year:	
Service Cost	352,317
Interest	233,149
Changes of Assumptions or Other Input	667,717
Benefit Payments	(275,223)
Net Changes	977,960
Total Pension Liability at June 30, 2021	\$ 7,600,812

For the year ended June 30, 2021, the District recognized pension expense of \$614,237.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 239,726	\$ 644,186
Changes in Assumptions	905,337	96,255
Employer Contributions Subsequent to the Measurement Date	347,521	-
Total	\$ 1,492,584	\$ 740,441

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

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

\$347,521 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Expense</u>
2022	\$ 28,771
2023	28,771
2024	28,771
2025	28,771
2026	28,771
Thereafter	260,767
Total	<u>\$ 404,622</u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2020.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Individual entry age normal
Amortization Method	Level percentage of salary
Actuarial Assumptions:	
Discount Rate	2.25%
Inflation	2.00%

Single Discount Rate. A single discount rate of 2.25% was used to measure the total pension liability as opposed to a discount rate of 3.5% for the prior year. This single discount rate was based on the 20 year tax-exempt AA Municipal bond rate.

Sensitivity of the District's total pension liability to changes in the discount rate. The following presents the District's total pension liability calculated using the discount rate of 2.25%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) 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%)
Total Pension Liability	\$ 8,162,402	\$ 7,600,812	\$ 7,063,313

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Payable to the Supplemental Pension Plan

At June 30, 2021, the District reported no outstanding contributions to the Plan required for the year ended June 30, 2021.

G. Other Postemployment Benefits

Plan Description and Funding Policy

The plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District. Eligible retired employees have access to group medical and dental coverage through the District's self-insured group plans. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement 75. Separate financial statements are not issued by the plan. The District contributes to a pool for each retiree based upon a percentage of their salary and years of service. This pool is used for payment of the retiree's medical and dental premiums until its exhaustion.

Benefits Provided

The District provides medical (including prescription drugs) and dental coverage for retired employees through the District's self-insured plans.

All employees of the District are eligible for the plan if they meet the following age and service requirements below:

Administrators must be age 55 and 15 years of service, a minimum of 10 with the District. Teachers must be age 55 and 20 years of service.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	28
Active Employees	488
Total	<u>516</u>

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.00
Investment Rate of Return:	2.25%
Healthcare Cost Trend Rates:	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter

Mortality rates are the same as those used in the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the June 30, 2019 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study".

The current yield for 20 year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

Discount Rate. A single discount rate of 2.25% was used to measure the total OPEB liability in the current year as opposed to 3.50% in the prior year. The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	\$ 4,014,941
Changes for the Year:	
Service Cost	239,398
Interest	142,680
Changes of Assumptions or Other Input	492,966
Benefit Payments	(116,145)
Net Changes	<u>758,899</u>
Balance at June 30, 2021	<u>\$ 4,773,840</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 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%)
Total OPEB liability	\$ 5,198,002	\$ 4,773,840	\$ 4,376,046

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	\$ 4,232,695	\$ 4,773,840	\$ 5,414,676

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$391,947.

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	\$ 182,775	\$ -
Changes in Assumptions	451,885	501,964
District Contributions Subsequent to the Measurement Date	113,946	-
Total	\$ 748,606	\$ 501,964

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

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

\$113,946 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Expense</u>
2022	\$ 9,869
2023	9,869
2024	9,869
2025	9,869
2026	9,869
Thereafter	83,351
Total	<u>\$ 132,696</u>

Payable to the OPEB Plan

At June 30, 2021, the District reported no outstanding contribution to the plan required for the year ended June 30, 2021.

H. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2021, nonspendable fund balance of \$450 is reported in the general fund for prepaid items.

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2021, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for Donations	\$ 325,805
Debt Service Funds	
Restricted for Debt Service	210,355
Capital Projects Funds	
Restricted for Capital Improvements	150,037
Total Restricted Fund Balance	<u>\$ 686,197</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by District Board action. At June 30, 2021, fund balance was committed as follows:

General Fund	
Committed for	
Subsequent Years Expenditures	<u>\$ 35,938</u>

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy of 15% to 20% of subsequent year budgeted expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2022 General Fund Expenditures	\$ 50,137,386
Minimum Fund Balance %	(x) 15%-20%
Minimum Fund Balance Amount	<u>\$7,520,608 to \$10,027,477</u>

The District's unassigned General Fund balance of \$9,068,627 is in compliance with the range of the above minimum fund balance amount.

NOTE 3 OTHER INFORMATION

A. 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; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in each of the last three years. The District has chosen to retain a portion of the risks through a self-insurance program as follows:

Self-Funded Insurance Program

The District has a self-funded health and dental benefit plan for its employees. The plan administrator, Anthem (administrator) is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending June 30, 2021.

Accounting and budgeting requirements for the plan are established by the Wisconsin Department of Public Instruction. Currently, the plan is accounted for in the General Fund of the District.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 OTHER INFORMATION (CONTINUED)

A Risk Management (Continued)

Self-Funded Insurance Program (Continued)

As part of the health care coverage of the plan, the District purchases stop-loss coverage, which pays claims in excess of \$100,000 per individual or 125% of the annual estimated claims as provided by the administrator. The District has no stop-loss coverage of dental care coverage of the plan.

At June 30, 2021, the District has reported a liability of \$614,104 which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. The amounts not reported to the District were determined by the plan administrator. Changes in the claims liability for the years ended June 30, 2020 and June 30, 2021 are as follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2021	\$ 217,128	\$ 9,343,532	\$ 8,946,556	\$ 614,104
2020	563,295	5,489,524	5,835,691	217,128

The District has not received an actuarial certification attesting to the adequacy of the reserves, rates, and the overall financial soundness of the plan.

B. Contingencies

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

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

C. Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 OTHER INFORMATION

C. Limitation on School District Revenues (Continued)

This limitation does not apply to revenue needed for 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.

D. Cumulative Effect on Change in Accounting Principle - Restatement

During fiscal year ended June 30, 2021 the District adopted GASB Statement No. 84 *Fiduciary Activities* which established criteria for identifying fiduciary activities and addressed financial reporting for these activities. As a result of the implementation of this standard, the District reported a restatement for the change in accounting principle as indicated below. The funds were previously reported as an agency fund.

	Governmental Activities	Donations
Fund Balance/Net Position, July 1, as Previously Reported	\$ 63,161,822	\$ 346,076
Cumulative Effect of Change in Accounting Principle	303,330	303,330
Fund Balance/Net Position, July 1, as Restated	\$ 63,465,152	\$ 649,406

E. COVID-19 Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the District, COVID-19 may impact various parts of its 2021-2022 operations and financial results. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of November 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
BUDGET AND ACTUAL — GENERAL FUND —
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Property Taxes	\$ 15,302,611	\$ 15,302,611	\$ 15,302,611	\$ -
Other Local Sources	99,856	150,871	142,591	(8,280)
Interdistrict Sources	4,842,300	4,842,300	4,747,121	(95,179)
Intermediate Sources	-	15,240	16,481	1,241
State Sources	29,249,456	29,403,101	29,331,423	(71,678)
Federal Sources	327,125	512,831	571,591	58,760
Other Sources	140,750	148,024	165,457	17,433
Total Revenues	<u>49,962,098</u>	<u>50,374,978</u>	<u>50,277,275</u>	<u>(97,703)</u>
EXPENDITURES				
Instruction:				
Regular Instruction	22,186,730	22,468,878	22,870,958	(402,080)
Vocational Instruction	1,695,712	1,793,165	1,591,110	202,055
Other Instruction	2,034,361	1,993,109	1,907,730	85,379
Total Instruction	<u>25,916,803</u>	<u>26,255,152</u>	<u>26,369,798</u>	<u>(114,646)</u>
Support Services:				
Pupil Services	1,943,914	2,015,797	1,971,759	44,038
Instructional Staff Services	1,995,860	1,996,209	2,384,444	(388,235)
General Administration Services	619,426	622,126	592,642	29,484
School Administration Services	2,891,322	2,893,951	2,733,153	160,798
Business Services	847,815	803,993	715,936	88,057
Operations and Maintenance of Plant	4,758,952	4,848,298	4,977,284	(128,986)
Pupil Transportation Services	1,334,061	1,259,654	1,275,750	(16,096)
Central Services	650,603	627,025	610,751	16,274
Insurance	494,872	496,372	444,269	52,103
Other Support Services	1,288,610	1,360,319	1,264,892	95,427
Total Support Services	<u>16,825,435</u>	<u>16,923,744</u>	<u>16,970,880</u>	<u>(47,136)</u>
Debt Service:				
Principal	106,520	66,578	70,316	(3,738)
Interest and Fiscal Charges	10,479	10,479	8,064	2,415
Total Debt Service	<u>116,999</u>	<u>77,057</u>	<u>78,380</u>	<u>(1,323)</u>
Nonprogram:				
General Tuition Payments	2,635,093	2,799,741	2,556,527	243,214
Adjustments and Refunds	2,000	2,000	4,650	(2,650)
Voucher Payments	469,456	469,456	474,133	(4,677)
Total Nonprogram	<u>3,106,549</u>	<u>3,271,197</u>	<u>3,035,310</u>	<u>235,887</u>
Total Expenditures	<u>45,965,786</u>	<u>46,527,150</u>	<u>46,454,368</u>	<u>72,782</u>
Excess of Revenues Over Expenditures	3,996,312	3,847,828	3,822,907	(24,921)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	5,800	5,800	-
Transfers Out	(3,996,312)	(3,853,628)	(3,730,616)	123,012
Total Other Financing Sources (Uses)	<u>(3,996,312)</u>	<u>(3,847,828)</u>	<u>(3,724,816)</u>	<u>123,012</u>
NET CHANGE IN FUND BALANCE	-	-	98,091	98,091
Fund Balance - Beginning of year	9,006,924	9,006,924	9,006,924	-
FUND BALANCE - END OF YEAR	<u>\$ 9,006,924</u>	<u>\$ 9,006,924</u>	<u>\$ 9,105,015</u>	<u>\$ 98,091</u>

See Notes to Required Supplementary Information.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
BUDGET AND ACTUAL — SPECIAL EDUCATION FUND —
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intermediate Sources	\$ 142,260	\$ 157,821	\$ 206,589	\$ 48,768
State Sources	1,116,072	1,116,072	1,126,362	10,290
Federal Sources	800,328	775,943	997,536	221,593
Total Revenues	<u>2,058,660</u>	<u>2,049,836</u>	<u>2,330,487</u>	<u>280,651</u>
EXPENDITURES				
Instruction:				
Special Education Instruction	3,654,703	3,655,826	3,675,659	(19,833)
Support Services:				
Pupil Services	619,435	619,955	600,588	19,367
Instructional Staff Services	329,786	281,157	262,709	18,448
Business Services	2,500	2,500	-	2,500
Operations and Maintenance of Plant	404	225	128	97
Pupil Transportation Services	29,000	32,000	30,256	1,744
Central Services	1,500	1,500	3,399	(1,899)
Total Support Services	<u>982,625</u>	<u>937,337</u>	<u>897,080</u>	<u>40,257</u>
Nonprogram:				
Special Education Tuition Payments	1,215,939	1,251,280	1,313,417	(62,137)
Total Expenditures	<u>5,853,267</u>	<u>5,844,443</u>	<u>5,886,156</u>	<u>(41,713)</u>
Excess of Revenues Under Expenditures	(3,794,607)	(3,794,607)	(3,555,669)	238,938
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>3,794,607</u>	<u>3,794,607</u>	<u>3,555,669</u>	<u>(238,938)</u>
NET CHANGE IN FUND BALANCE				
	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Required Supplementary Information.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 MEASUREMENT PERIODS***

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 239,398	\$ 256,022	\$ 268,245	\$ 268,245
Interest	142,680	152,494	135,721	125,854
Differences Between Expected and Actual Experience	-	219,329	-	-
Changes of Assumptions	492,966	(508,950)	(99,068)	-
Benefit Payments	(116,145)	(84,906)	(135,145)	(89,191)
Net Change in Total OPEB Liability	758,899	33,989	169,753	304,908
Total OPEB Liability - Beginning	4,014,941	3,980,952	3,811,199	3,506,291
Total OPEB Liability - Ending	<u>\$ 4,773,840</u>	<u>\$ 4,014,941</u>	<u>\$ 3,980,952</u>	<u>\$ 3,811,199</u>
Covered-Employee Payroll	\$ 24,161,342	\$ 24,161,342	\$ 20,017,866	\$ 20,017,866
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	19.76%	16.62%	19.89%	19.04%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.15984110%	\$ (3,926,134)	\$ 21,538,802	18.23 %	102.75 %
12/31/15	0.15702550%	1,551,633	21,682,409	7.16	98.20
12/31/16	0.15399930%	1,269,322	22,476,529	5.65	99.12
12/31/17	0.15442436%	(4,585,042)	23,036,880	19.90	102.93
12/31/18	0.15305007%	5,445,041	22,779,309	23.90	96.45
12/31/19	0.15255960%	(4,919,218)	24,631,178	19.97	102.96
12/31/20	0.15107036%	(9,431,532)	25,149,024	37.50	105.26

**SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 1,479,825	\$ 1,479,825	\$ -	\$ 21,492,712	6.89 %
6/30/16	1,483,707	1,483,707	-	22,091,607	6.72
6/30/17	1,566,507	1,566,507	-	22,859,918	6.85
6/30/18	1,573,136	1,573,136	-	23,151,880	6.79
6/30/19	1,442,920	1,442,920	-	21,815,251	6.61
6/30/20	1,656,924	1,656,924	-	24,907,407	6.65
6/30/21	1,730,275	1,730,275	-	25,627,702	6.24

See Notes to Required Supplementary Information.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION PLAN
LAST 10 MEASUREMENT PERIODS***

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 352,317	\$ 336,732	\$ 351,709	\$ 422,791	\$ 422,791
Interest	233,149	227,675	206,307	181,792	169,821
Differences Between Expected and Actual Experience	-	283,312	-	(901,862)	-
Changes in Assumptions	667,717	14,797	(122,505)	387,046	-
Benefit Payments	(275,223)	(285,266)	(217,093)	(221,852)	(165,322)
Net Change in Total Pension Liability	977,960	577,250	218,418	(132,085)	427,290
Total Pension Liability - Beginning	6,622,852	6,045,602	5,827,184	5,959,269	5,531,979
Total Pension Liability - Ending	<u>\$ 7,600,812</u>	<u>\$ 6,622,852</u>	<u>\$ 6,045,602</u>	<u>\$ 5,827,184</u>	<u>\$ 5,959,269</u>
Covered Payroll	\$ 21,089,913	\$ 20,017,866	\$ 20,017,866	\$ 20,017,866	\$ 17,656,907
District's Total Pension Liability as a Percentage of Covered Payroll	36.04%	33.08%	30.20%	29.11%	33.75%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end. Amounts for prior years were not available.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

There were no changes of benefit terms. A single discount rate of 2.25% was used to measure the total other postemployment benefits as opposed to a discount rate of 3.5% for the prior year.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The District is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE 2 PENSION - WISCONSIN RETIREMENT SYSTEM (WRS)

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

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

The District is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE 3 SUPPLEMENTAL PENSION

Assumptions are consistent with the prior valuation. A single discount rate of 2.25% was used to measure the total pension liability as opposed to a discount rate of 3.5% for the prior year. The amounts reported for each fiscal year were determined as of June 30 of the prior fiscal year.

The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE 4 BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. Budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 4 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

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

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

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2021.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 4 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund in accordance with requirements from the Wisconsin Department of Public Instruction. In accordance with generally accepted accounting principles, these funds are included as part of the general fund in these financial statements. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education Fund</u>
Revenues		
Actual Amounts (Budgetary Basis)	\$ 50,277,275	\$ (2,330,487)
Reclassification of Special Education Fund	<u>2,330,487</u>	<u>2,330,487</u>
Total Revenues	52,607,762	-
Expenditures		
Actual Amounts (Budgetary Basis)	46,454,368	5,886,156
Reclassification of Special Education Fund	<u>5,886,156</u>	<u>(5,886,156)</u>
Total Expenditures	52,340,524	-
Excess of Revenues Over (Under) Expenditures		
Actual Amounts (Budgetary Basis)	3,822,907	(3,555,669)
Reclassification of Special Education Fund	<u>(3,555,669)</u>	<u>3,555,669</u>
Excess of Revenues Over (Under) Expenditures	267,238	-
Other Financing Sources (Uses)		
Actual Amounts (Budgetary Basis)	(3,724,816)	3,555,669
Reclassification of Special Education Fund	<u>3,555,669</u>	<u>(3,555,669)</u>
Total Other Financing Sources (Uses)	<u>(169,147)</u>	<u>-</u>
Net Change in Fund Balance		
Actual Amounts (Budgetary Basis)	98,091	-
Fund Balance - July 1		
Actual Amounts (Budgetary Basis)	<u>9,006,924</u>	<u>-</u>
Fund Balance - June 30		
Actual Amounts (Budgetary Basis)	<u>\$ 9,105,015</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 4 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Excess of Expenditure Over budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended June 30, 2021:

Funds	Excess Expenditures
General Fund	
Instruction	
Regular Instruction	\$ 402,080
Support Services	
Instructional Staff Services	388,235
Operations and Maintenance of Plant	128,986
Pupil Transportation Services	16,096
Debt Service	
Principal	3,738
Nonprogram	
Adjustments and Refunds	2,650
Voucher Payments	4,677
Special Education Fund	
Instruction	
Special Education Instruction	19,833
Support Services	
Central Services	1,899
Nonprogram	
Special Education Tuition Payments	62,137

Excess expenditures were funded with positive variances in other general and special education fund appropriation accounts.

SUPPLEMENTARY INFORMATION

**UNIFIED SCHOOL DISTRICT OF DE PERE
COMBINING BALANCE SHEET —
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	Donations	Debt Service	Non- Referendum Debt Service	Capital Projects	Capital Improvement Trust	
ASSETS						
Cash and Investments	\$ 582,205	\$ 68,536	\$ 141,819	\$ -	\$ 150,037	\$ 942,597
Total Assets	<u>\$ 582,205</u>	<u>\$ 68,536</u>	<u>\$ 141,819</u>	<u>\$ -</u>	<u>\$ 150,037</u>	<u>\$ 942,597</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 256,400	\$ -	\$ -	\$ -	\$ -	\$ 256,400
Total Liabilities	256,400	-	-	-	-	256,400
FUND BALANCES						
Restricted	325,805	68,536	141,819	-	150,037	686,197
Total Liabilities and Fund Balances	<u>\$ 582,205</u>	<u>\$ 68,536</u>	<u>\$ 141,819</u>	<u>\$ -</u>	<u>\$ 150,037</u>	<u>\$ 942,597</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	Special	Debt Service		Capital Projects		Total
	Revenue		Non-	Capital	Capital	Nonmajor
	Donations	Debt Service	Referendum Debt Service	Projects	Improvement Trust	Governmental Funds
REVENUES						
Property Taxes	\$ -	\$ 949,425	\$ 458,020	\$ -	\$ -	\$ 1,407,445
Other Local Sources	324,633	16	-	-	6,563	331,212
Other Sources	667	-	-	-	-	667
Total Revenues	325,300	949,441	458,020	-	6,563	1,739,324
EXPENDITURES						
Instruction:						
Regular Instruction	8,636	-	-	-	-	8,636
Vocational Instruction	463	-	-	-	-	463
Other Instruction	639,418	-	-	-	-	639,418
Total Instruction	648,517	-	-	-	-	648,517
Support Services:						
Pupil Services	127	-	-	-	-	127
Operations and Maintenance of Plant	-	-	-	-	1,176,833	1,176,833
Central Services	257	-	-	-	-	257
Total Support Services	384	-	-	-	1,176,833	1,177,217
Debt Service:						
Principal	-	3,660,000	430,795	-	-	4,090,795
Interest and Fiscal Charges	-	113,851	52,171	-	-	166,022
Total Debt Service	-	3,773,851	482,966	-	-	4,256,817
Total Expenditures	648,901	3,773,851	482,966	-	1,176,833	6,082,551
Excess of Revenues Over (Under) Expenditures	(323,601)	(2,824,410)	(24,946)	-	(1,170,270)	(4,343,227)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	352,023	-	352,023
Transfers In	-	-	24,947	-	150,000	174,947
Total Other Financing Sources (Uses)	-	-	24,947	352,023	150,000	526,970
NET CHANGE IN FUND BALANCE	(323,601)	(2,824,410)	1	352,023	(1,020,270)	(3,816,257)
Fund Balance - July 1, as Originally Stated	346,076	2,892,946	141,818	(352,023)	1,170,307	4,199,124
Cumulative Effect of Change in Accounting Principle	303,330	-	-	-	-	303,330
Fund Balance - July 1, as Restated	649,406	2,892,946	141,818	(352,023)	1,170,307	4,502,454
FUND BALANCE - END OF YEAR	<u>\$ 325,805</u>	<u>\$ 68,536</u>	<u>\$ 141,819</u>	<u>\$ -</u>	<u>\$ 150,037</u>	<u>\$ 686,197</u>

**UNIFIED SCHOOL DISTRICT OF DE PERE
 COMBINING STATEMENT OF NET POSITION —
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2021**

	Food Service	Community Service	Total
ASSETS			
Cash and Investments	\$ 367,208	\$ 114,531	\$ 481,739
Due from Other Governments	134,341	-	134,341
Inventories and Prepaid Items	31,899	-	31,899
Capital Assets			
Depreciable, Net	2,995	-	2,995
Total Assets	536,443	114,531	650,974
LIABILITIES			
Accounts Payable	59,087	11,619	70,706
Unearned Revenues	114,531	1,300	115,831
Total Liabilities	173,618	12,919	186,537
NET POSITION			
Investment in Capital Assets	2,995	-	2,995
Unrestricted	359,830	101,612	461,442
Total Net Position	\$ 362,825	\$ 101,612	\$ 464,437

**UNIFIED SCHOOL DISTRICT OF DE PERE
COMBINING STATEMENT OF CHANGES IN REVENUE, EXPENSES
AND CHANGE IN NET POSITION —
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Food Service	Community Service	Total
OPERATING REVENUES			
Food Sales	\$ 89,662	\$ -	\$ 89,662
Local Sources	-	56,479	56,479
State Sources	20,087	-	20,087
Federal Sources	2,170,580	-	2,170,580
Total Operating Revenues	<u>2,280,329</u>	<u>56,479</u>	<u>2,336,808</u>
OPERATING EXPENSES			
Salaries, Wages and Benefits	854,851	-	854,851
Purchased Services	30,398	-	30,398
Supplies and Materials	1,035,202	12,296	1,047,498
Other	209	58,501	58,710
Depreciation	4,269	-	4,269
Total Operating Expenses	<u>1,924,929</u>	<u>70,797</u>	<u>1,995,726</u>
OPERATING INCOME (LOSS)	355,400	(14,318)	341,082
NONOPERATING REVENUES			
Property Taxes	-	22,460	22,460
CHANGE IN NET POSITION	355,400	8,142	363,542
Net Position - Beginning of Year	<u>7,425</u>	<u>93,470</u>	<u>100,895</u>
NET POSITION - END OF YEAR	<u><u>\$ 362,825</u></u>	<u><u>\$ 101,612</u></u>	<u><u>\$ 464,437</u></u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

Board of Education
Unified School District of De Pere
De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified School District of De Pere, De Pere, Wisconsin, (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 November 30, 2021.

Internal Control Over Financial Reporting

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

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

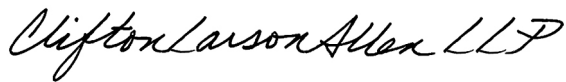
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 30, 2021

FEDERAL AND STATE AWARDS



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

Board of Education
Unified School District of De Pere
De Pere, Wisconsin

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance


Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State 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.

Purpose of this Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 30, 2021

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/20	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>Child Nutrition Cluster</i>								
Donated Commodities	10.555	WI DPI	n/a	\$ -	\$ 181,152	\$ -	\$ 181,152	\$ -
Total National School Lunch Program				-	181,152	-	181,152	-
COVID 19- Summer Food Service Program for Children	10.559	WI DPI	2021-051414-DPI-SFSP-566	(101,516)	1,956,603	134,341	1,989,428	
Total Child Nutrition Cluster and U.S. Department of Agriculture				(101,516)	2,137,755	134,341	2,170,580	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2021-051414-TIA-141	(45,646)	122,836	28,396	105,586	-
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States	84.027	WI DPI	2021-051414-DPI-IDEA-FT-341	(202,860)	745,327	264,967	807,434	-
Special Education Preschool Grants	84.173	WI DPI	2021-051414-DPI-IDEA-P-347	(13,466)	13,466	13,687	13,687	-
Total Special Education Cluster (IDEA)				(216,326)	758,793	278,654	821,121	-
English Language Acquisition State Grants	84.365	WI DPI	2021-051414-DPI-TIIIA -391	-	-	11,575	11,575	-
Improving Teacher Quality State Grants	84.367	WI DPI	2021-051414-DPI-TIIIA-365	(11,487)	58,473	18,706	65,692	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2021-051414-DPI-TIV-A-381	-	8,333	381	8,714	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2021-051414-DPI-ESSERF-160	(96,761)	108,741	-	11,980	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2021-051414-DPI-ESSERF-160	-	-	391,312	391,312	8,696
Total COVID-19 Elementary and Secondary School Emergency Relief Fund				(96,761)	108,741	391,312	403,292	8,696
Total U.S. Department of Education				(370,220)	1,057,176	729,024	1,415,980	8,696
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	44,224,200	(3,373)	131,330	15,768	143,725	-
Total Expenditures of Federal Awards				\$ (475,109)	\$ 3,326,261	\$ 879,133	\$ 3,730,285	\$ 8,696
RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS								
Federal Sources - Governmental Funds							\$ 1,569,127	
Federal Sources - Proprietary Funds							2,170,580	
Federal Awards Included in Interdistrict Sources							(9,422)	
Total Federal Awards							<u>\$ 3,730,285</u>	

See Notes to the Schedules of Expenditures of Federal and State Awards.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2021**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/20	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	051414-100	\$ -	\$ 1,075,096	\$ -	\$ 1,075,096	\$ -
State School Lunch Aid	255.102	Direct Program	051414-107	-	17,675	-	17,675	-
Common School Fund Library Aid	255.103	Direct Program	051414-104	-	199,458	-	199,458	-
General Transportation Aid	255.107	Direct Program	051414-102	-	74,330	-	74,330	-
Equalization Aids	255.201	Direct Program	051414-116	(390,997)	25,809,102	408,067	25,826,172	-
School Mental Health Programs	225.227	Direct Program	051414-176	-	10,237	-	10,237	-
Supplemental Per Pupil Aid	255.245	Direct Program	051414-245	-	12,317	-	12,317	-
School Based Mental Health Services Grant	225.297	Direct Program	051414-177	(4,500)	64,307	20,435	80,242	-
High Cost Special Education Aid	255.210	Direct Program	051414-119	-	19,303	-	19,303	-
Special Education Transition Readiness Grant	255.257	Direct Program	051414-174	-	9,162	11,801	20,963	-
State School Breakfast Aid	255.344	Direct Program	051414-108	-	2,412	-	2,412	-
Early College Credit Program	255.445	Direct Program	051414-232	-	1,247	-	1,247	-
Educator Effective Evaluation System	255.940	Direct Program	051414-154	-	25,680	-	25,680	-
Per Pupil Aid	255.945	Direct Program	051414-113	-	3,007,326	-	3,007,326	-
Career and Technical Education Incentive Grants	255.950	Direct Program	051414-152	-	11,965	-	11,965	-
Assessments of Reading Readiness	255.956	Direct Program	051414-166	-	7,287	-	7,287	-
Robotics League Participation Grants	255.959	Direct Program	051414-167	(4,359)	4,359	-	-	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	051414-168	-	11,000	-	11,000	-
Total Wisconsin Department of Public Instruction				(399,856)	30,362,263	440,303	30,402,710	-
WISCONSIN DEPARTMENT OF JUSTICE								
School Safety Grant	455.206	Direct Program	2018-SSI-01-13247	(16,311)	16,311	-	-	-
School Safety Grant	455.206	Direct Program	2018-SSI-01/02-14321	-	16,494	-	16,494	-
				(16,311)	32,805	-	16,494	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
Fast Forward Grant	455.191	Direct Program	EF201AM10009	(50,188)	-	49,980	(208)	-
Total State Programs				\$ (466,355)	\$ 30,395,068	\$ 490,283	\$ 30,418,996	\$ -

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

State Sources - Governmental Funds	\$ 30,457,784
State Sources - Proprietary Funds	20,087
Less: State Sources not Considered State Financial Assistance	
State Tax Computer Aid	(55,034)
Fast Forward Grant Difference	(208)
Other Revenue	(51)
Payment in Lieu of Taxes and Other Revenues	(3,582)
Total State Awards	<u>\$ 30,418,996</u>

See Notes to the Schedules of Expenditures of Federal and State Awards.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for Unified School District of De Pere (the District) are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the District. 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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2021 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2020-2021 eligible costs under the State Special Education Program as reported by the District are \$4,144,948. Compiled information required by compliance requirement 1-1 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

NOTE 4 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed.

**UNIFIED SCHOOL DISTRICT OF DE PERE
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

NOTE 5 OVERSIGHT AGENCIES

The federal and state oversight agencies for the District are as follows:

Federal - U.S. Department of Education
State - Wisconsin Department of Public Instruction

NOTE 6 PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DHS - Wisconsin Department of Health Services
WI DPI - Wisconsin Department of Public Instruction

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditor’s report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Were significant deficiency(ies) identified not considered to be a material weakness(es)? _____ Yes X None Reported
3. Noncompliance material to basic financial statements noted? _____ Yes X No

Federal and State Awards

1. Internal control over compliance:
- Material weakness(es) identified? _____ Yes X No
 - Were significant deficiency(ies) identified not considered to be a material weakness(es)? _____ Yes X None Reported
2. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ Yes X No
3. Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? _____ Yes X No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Programs/Cluster
	<i>Child Nutrition Cluster</i>
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
	<i>Special Education Cluster (IDEA)</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.425	COVID-19 Elementary and Secondary School Emergency Relief Fund

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results (Continued)

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Programs</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aids
255.107	General Transportation Aid

Dollar threshold used to determine between Type A and B programs:

Federal Awards	<u>\$750,000</u>
State Awards	<u>\$250,000</u>

Auditee qualify as low-risk auditee? Yes X No

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings


There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended June 30, 2021.

Section III – Federal and State Award Findings and Questioned Costs

There are no audit findings and questioned costs required to be reported under the Uniform Guidance and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended June 30, 2021.

**UNIFIED SCHOOL DISTRICT OF DE PERE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section IV – Other Issues

- | | |
|---|---|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Wisconsin Department of Public Instruction | No |
| Wisconsin Department of Health Services | No |
| Wisconsin Department of Justice | No |
| Wisconsin Department of Workforce Development | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |
| 4. Name and signature of partner | <u></u>
Susan Pable, CPA |
| 5. Date of report | November 30, 2021 |