

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>6</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>DISTRICT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>15</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>16</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>17</b>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION –         GOVERNMENTAL FUNDS</b>	<b>18</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND         BALANCES – GOVERNMENTAL FUNDS</b>	<b>19</b>
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES –         GOVERNMENTAL FUNDS</b>	<b>20</b>
<b>STATEMENT OF NET POSITION – FIDUCIARY FUNDS</b>	<b>21</b>
<b>STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS</b>	<b>22</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>23</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY     BASIS</b>	<b>57</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL     REVENUE FUND – BUDGETARY BASIS</b>	<b>58</b>
<b>SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED     RATIOS</b>	<b>59</b>
<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER     POSTEMPLOYMENT BENEFITS</b>	<b>60</b>

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – SUPPLEMENTAL PENSION PLAN</b>	<b>61</b>
<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS – SUPPLEMENTAL PENSION PLAN</b>	<b>62</b>
<b>SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM</b>	<b>63</b>
<b>SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM</b>	<b>63</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>64</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>69</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>70</b>
<b>ADDITIONAL INDEPENDENT AUDITOR’S REPORT FOR BASIC FINANCIAL STATEMENTS</b>	
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>72</b>
<b>FEDERAL AND STATE AWARDS</b>	
<b>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 <i>STATE SINGLE AUDIT GUIDELINES</i></b>	<b>75</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>78</b>
<b>SCHEDULE OF EXPENDITURES OF STATE AWARDS</b>	<b>80</b>
<b>NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS</b>	<b>81</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>83</b>



## INDEPENDENT AUDITORS' REPORT

Board of Education  
West Bend Joint School District #1  
West Bend, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Bend Joint School District #1, West Bend, Wisconsin (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 3.E., a prior period adjustment of \$5,247,178 was recorded in the governmental activities to properly record the supplemental pension plan. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

**Supplementary 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education  
West Bend Joint School District #1

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022, 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**

Sheboygan, Wisconsin  
December 9, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

This discussion and analysis of the West Bend Joint School District #1's financial information provides an overall review of financial activities for the fiscal year. The analysis generally focuses on school district financial performance as a whole.

### **FINANCIAL HIGHLIGHTS**

- The District's overall financial position, as reflected in total net position, increased by \$14,108,192.
- The District's total assets decreased by approximately \$2.8 million. The district's current assets including cash, investments and receivables decreased by approximately \$2.2 million, while net capital assets (land, sites, buildings, and equipment) decreased by approximately \$546 thousand.
- The District's total liabilities decreased by \$14.7 million. This is primarily due to the change in the long-term debt for 2021-22.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements are comprised of 1) management's discussion and analysis, 2) district-wide financial statements, 3) fund financial statements, and 4) notes to the financial statements. In addition, other supplementary information and required supplementary information to the basic financial statements are provided.

#### **District-Wide Financial Statements**

- The district-wide financial statements include the statement of net position and statement of activities. These statements present an aggregate view of the district's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, call governmental activities, from functions that are intended to recover all or a significant portion of costs through user fees and charges called business type activities.
- The statement of net position presents information on all of the district's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.
- The statement of activities presents information showing how the district's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.
- The district-wide financial statements are shown on pages 15 through 16 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Fund Financial Statements**

- The District also produces 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. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.
- There are two fund financial statements, the balance sheet and the statement of revenues, expenditures and changes in fund balance. Generally, fund statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance.
- Because the focus of fund financial statements is narrower than that of the district-wide statements it is useful to make comparison between the information presented. By doing so, readers may better understand the long-term implication of the government's near-term financial decisions. A reconciliation to facilitate this comparison is provided either at the bottom of the government funds statement or as a separate statement.
- The District has two kinds of funds: governmental and fiduciary. Governmental funds include the District's general, special revenue, debt service and capital project funds. The district has one fiduciary fund, the employee benefit trust fund.
- Financial information is presented separately on both the balance sheet and the statement of revenues, expenditures and changes in fund balance for the general fund and referendum debt service as these are considered to be major funds. Data for each of the individual non-major funds is provided separated as supplementary information. The governmental fund financial statements are on pages 17 through 20 of this report.
- The District serves as a trustee, or fiduciary, for the employee benefit trust fund. The assets of this organization do not directly benefit nor are under the direct control of the district. The district's responsibility is limited to ensuring the assets reported in this fund are used only for their intended purposes. Fiduciary activities are excluded from the district-wide financial statements because the district cannot use these assets to finance its operations. Fiduciary fund statements are presented on pages 21 through 22.
- The District adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided to demonstrate budget compliance. The budgetary comparison statements can be seen on pages 57 through 58.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL ANALYSIS**

**The District as a Whole**

**Net position.** Table 1, below, provides a summary of the district's net position for the year ended June 30, 2022 compared to June 30, 2021.

<b>Table 1</b>			
<b>Condensed Statement of Net Position</b>			
<i>(in thousands of dollars)</i>			
	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2022</u>	<u>2021</u>	<u>2021-22</u>
Current and Other Assets	\$ 63,743	\$ 65,961	-3%
Capital Assets	68,940	69,486	-1%
Total Assets	<u>\$ 132,683</u>	<u>\$ 135,447</u>	<u>-2%</u>
Deferred Outflows of Resources	<u>\$ 44,476</u>	<u>\$ 34,557</u>	<u>29%</u>
Long-Term Liabilities Outstanding	\$ 12,656	\$ 26,639	-52%
Other Liabilities	19,189	19,860	-3%
Total Liabilities	<u>\$ 31,845</u>	<u>\$ 46,499</u>	<u>-32%</u>
Deferred Inflows of Resources	<u>\$ 48,540</u>	<u>\$ 35,592</u>	<u>36%</u>
Net Position:			
Net Investment in Capital Assets	\$ 56,678	\$ 46,454	22%
Restricted	35,063	38,502	-9%
Unrestricted	5,033	2,957	70%
Total Net Position	<u>\$ 96,774</u>	<u>\$ 87,913</u>	<u>10%</u>

The District's combined net position increased to \$96,774,200. Table 2 Change in Net Position presents additional information related to the change.

In addition, the District's long-term liabilities decreased \$10 million due to a current and advanced debt refinancing that both occurred during the current fiscal year (see Note 2. D.).

Note that the calculation of net position uses a historical cost for school buildings and capital assets that may not accurately reflect fair market value.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Change in net position.** Table 2 presents summarized operating results and changes in net position for the fiscal years 2022 and 2021.

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

	Governmental Activities		Total
	2022	2021	% Change 2021-22
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 1,384	\$ 1,010	37%
Operating Grants And Contributions	20,859	17,699	18%
<b>General Revenues</b>			
Property Taxes	47,645	44,625	7%
Stated and Federal Aid	30,150	31,049	-3%
Other	430	867	-50%
Total Revenues	<u>100,468</u>	<u>95,250</u>	<u>5%</u>
<b>Expenses:</b>			
Instruction	46,197	43,103	7%
Support Services	27,132	24,271	12%
Community Services	325	301	8%
Interest and Fiscal Charges	1,045	776	35%
Depreciation	2,536	2,469	3%
Nonprogram Transactions	9,125	8,574	6%
Total Expenses	<u>86,360</u>	<u>79,494</u>	<u>9%</u>
Increase in Net Position	<u>14,108</u>	<u>15,756</u>	<u>-10%</u>
<b>Net Position - Beginning of Year,</b>			
as Originally Stated	87,913	72,157	
Prior Period Adjustment	<u>(5,247)</u>	<u>-</u>	
Net Position - Beginning of Year, as Restated	<u>82,666</u>	<u>72,157</u>	
Net Position - End of Year	<u>\$ 96,774</u>	<u>\$ 87,913</u>	

As shown, general revenues provide about 77.9% of the funding. Property taxes provide 47.4% of the total revenue for the governmental activities. In the prior year, general revenues provided 80.4% of funding and property taxes provided 46.9%.

- Total revenues increased \$5.2 million or 5%. Instructional program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions, totaled approximately \$22.2 million.
- General revenues for operations accounted for \$78.2 million, which is about \$1.7 million more than last year. Property taxes increased \$3 million or 6.8% over the prior year.
- Expenses for governmental activities increased by \$6.9 million or 9% and included a \$551 thousand increase in non-program transactions which include open enrollment out tuition payments. A combination of the remaining expenses increased approximately \$6.3 million.
- The District recognized depreciation expense of \$2.5 million.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

**Net cost of governmental activities.** Table 3 reports the net cost of six major district activities. The table shows each activity's net cost (total cost less fees generated locally or from state and federal agencies). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

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

	Net Cost of Services		Total % Change
	2022	2021	2021-22
Instruction	\$ 30,322	\$ 28,918	5%
Support Services	21,451	20,007	7%
Community Services	310	296	5%
Interest and Fiscal Charges	587	737	-20%
Depreciation - Unallocated	2,536	2,469	3%
Nonprogram Transactions	8,912	8,358	7%
Total	<u>\$ 64,118</u>	<u>\$ 60,785</u>	<u>5%</u>

- The net cost of services of all governmental activities increased by \$3.3 million or 5%.
- Net instruction costs increased approximately \$1.4 million and support services increased \$1.4 million while non-program transactions increase \$554 thousand.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the 2022 fiscal year, the District had invested \$68.9 million in a broad range of capital assets, including buildings, sites, and equipment. The net amount invested in capital assets decreased slightly between the 2022 and 2021 fiscal years. Additional information about capital assets can be found in Note 2.B.

**Table 4**  
**Capital Assets**  
**(net of depreciation, in thousands of dollars)**

	Governmental Activities		Total % Change
	2022	2021	2021-22
Land	\$ 1,552	\$ 1,552	0%
Construction in Progress	33	51	100%
Land Improvements	3,689	3,581	3%
Buildings and Improvements	101,201	99,954	1%
Equipment	8,800	8,147	8%
Accumulated Depreciation	(46,335)	(43,798)	6%
Total	<u>\$ 68,940</u>	<u>\$ 69,487</u>	<u>\$ (0.01)</u>

- Capital asset additions in the current year include the various asphalt / concrete replacement projects, various roof replacement project, an upgrade of the dust collector and Hvac controls at the high school, and equipment purchases.

**Long-Term Debt**

At year-end, the District had \$12.7 million in outstanding bonds, notes and other long-term obligations. Additional information about the District's long-term obligations is presented in Note 2.D. to the financial statements.

**Table 5**  
**Outstanding Long-Term Obligations**  
**(in thousands of dollars)**

	Governmental Activities		Total % Change
	2022	2021	2021-22
General Obligation Debt	\$ 12,120	\$ 26,260	-54%
Other	536	379	41%
Total	<u>\$ 12,656</u>	<u>\$ 26,639</u>	<u>-52%</u>

- The District's general obligation debt decreased by \$14.1 million.
  - During the current fiscal year, the District currently refunded \$9.2 million of general obligation debt issues from 2013 and 2010 resulting in a reduction of future debt service payments of \$447,331.
  - During the current fiscal year, the District advance refunded \$9.9 million of general obligation debt resulting in a reduction of future debt service payments of \$11.3 million.
- Other long-term obligations consist of debt premiums and compensated absences.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

- State's funding formula and commitment to support of public education
- The State of Wisconsin has an open enrollment law that allows students to attend the school district of their choice with few restrictions. The state adjusts each district's general state aid payment based on the number of students who transfer.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the business office, West Bend Joint School District #1, 735 S. Main St. West Bend, Wisconsin 53095.

## **BASIC FINANCIAL STATEMENTS**

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 30,279,430
Receivables:	
Taxes	9,789,631
Accounts	119,162
Due from Other Governments	3,503,625
Inventories and Prepaid Items	27,229
Net Pension Asset	20,023,200
Capital Assets:	
Nondepreciable	1,584,382
Depreciable, Net	67,356,003
Total Assets	132,682,662
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Loss on Advance Refunding	52,399
Pension Related Amounts	37,897,692
Other Postemployment Related Amounts	6,525,955
Total Deferred Outflows of Resources	44,476,046
<b>LIABILITIES</b>	
Accrued and Other Current Liabilities	5,345,141
Accrued Interest Payable	116,229
Due to Fiduciary Funds:	
Contributions	1,640,641
Unearned Revenues	116,304
Deposits Payable	1,341,330
Health and Dental Claims Payable	1,012,001
Long-Term Obligations:	
Due in One Year	3,867,480
Due in More than One Year	8,788,748
Net Other Postemployment Benefits Liability	2,315,394
Net Pension Liability	5,992,888
Total Liabilities	31,844,711
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Amounts	47,233,856
Other Postemployment Related Amounts	1,305,941
Total Deferred Inflows of Resources	48,539,797
<b>NET POSITION</b>	
Net Investment in Capital Assets	56,677,923
Common School Fund	4,994
Get Kids Ahead Funds	92,590
Food Service Programs	1,683,335
Donations	904,845
Community Service Activities	62,977
Debt Service	5,881,341
Capital Projects	6,409,932
Pension Benefits	20,023,200
Unrestricted	5,033,063
Total Net Position	\$ 96,774,200

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in and Net Position
				Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 46,196,568	\$ 548,327	\$ 15,326,335	\$ (30,321,906)
Support Services	27,132,203	361,923	5,319,486	(21,450,794)
Community Services	324,985	15,165	-	(309,820)
Nonprogram	9,124,680	-	212,705	(8,911,975)
Interest and Fiscal Charges	1,045,262	458,264	-	(586,998)
Depreciation - Unallocated	2,536,364	-	-	(2,536,364)
<b>Total Governmental Activities</b>	<u><u>\$ 86,360,062</u></u>	<u><u>\$ 1,383,679</u></u>	<u><u>\$ 20,858,526</u></u>	(64,117,857)
General Revenues:				
				47,580,917
Property Taxes				64,512
Other Taxes				
State and Federal Aids not Restricted to Specific Functions				30,150,290
Interest and Investment Earnings				52,859
Miscellaneous				377,471
Total General Revenues				<u><u>78,226,049</u></u>
Change in Net Position				<u>14,108,192</u>
Net Position - July 1, as Originally Stated				87,913,186
Prior Period Adjustment				<u>(5,247,178)</u>
Net Position - July 1, as Restated				<u>82,666,008</u>
Net Position - June 30				<u><u>\$ 96,774,200</u></u>

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General	Referendum Debt Service	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and Investments	\$ 14,781,732	\$ 5,044,164	\$ 10,453,534	\$ 30,279,430
Receivables:				
Taxes	9,789,631	-	-	9,789,631
Accounts	119,162	-	-	119,162
Due from Other Funds	227,662	-	-	227,662
Due from Other Governments	3,160,276	-	343,349	3,503,625
Inventories and Prepaid Items	6,322	-	20,907	27,229
	<u>6,322</u>	<u>-</u>	<u>20,907</u>	<u>27,229</u>
Total Assets	<u>\$ 28,084,785</u>	<u>\$ 5,044,164</u>	<u>\$ 10,817,790</u>	<u>\$ 43,946,739</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 962,174	\$ -	\$ 346,381	\$ 1,308,555
Accrued and Other Current Liabilities	5,257,068	-	88,073	5,345,141
Due to Other Funds	-	-	227,662	227,662
Due to Fiduciary Fund	1,640,641	-	-	1,640,641
Unearned Revenues	-	-	116,304	116,304
Deposits Payable	1,341,330	-	-	1,341,330
Health and Dental Claims Payable	1,008,033	-	3,968	1,012,001
Total Liabilities	<u>10,209,246</u>	<u>-</u>	<u>782,388</u>	<u>10,991,634</u>
<b>FUND BALANCES</b>				
Nonspendable	6,322	-	20,907	27,229
Restricted	97,584	5,044,164	10,014,495	15,156,243
Committed	5,718,241	-	-	5,718,241
Unassigned	12,053,392	-	-	12,053,392
Total Fund Balances	<u>17,875,539</u>	<u>5,044,164</u>	<u>10,035,402</u>	<u>32,955,105</u>
Total Liabilities and Fund Balances	<u>\$ 28,084,785</u>	<u>\$ 5,044,164</u>	<u>\$ 10,817,790</u>	<u>\$ 43,946,739</u>

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page \$ 32,955,105

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. 68,940,385

Long-term assets are not current financial resources; therefore, are not reported in the funds:

    Net Pension Asset 20,023,200

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds:

Loss on Advance Refunding	52,399
Deferred Outflows Related to Pensions	37,897,692
Deferred Inflows Related to Pensions	(47,233,856)
Deferred Outflows Related to Other Postemployment Benefits	6,525,955
Deferred Inflows Related to Other Postemployment Benefits	(1,305,941)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and Notes Payable	(12,120,000)
Premium on Debt	(374,961)
Compensated Absences	(161,267)
Net Other Postemployment Benefits Liability	(2,315,394)
Net Pension Liability	(5,992,888)
Accrued Interest on Long-Term Obligations	<u>(116,229)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 96,774,200</u></u>
--	-----------------------------

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General	Referendum Debt Service	Other Governmental Funds	Total
<b>REVENUES</b>				
Property Taxes	\$ 36,041,139	\$ 8,852,516	\$ 2,751,774	\$ 47,645,429
Other Local Sources	593,822	15,353	1,523,722	2,132,897
Interdistrict Sources	1,469,591	-	43,201	1,512,792
Intermediate Sources	36,181	-	-	36,181
State Sources	38,744,834	-	99,960	38,844,794
Federal Sources	4,555,155	-	5,031,997	9,587,152
Other Sources	370,497	-	1,263	371,760
Total Revenues	<u>81,811,219</u>	<u>8,867,869</u>	<u>9,451,917</u>	<u>100,131,005</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	32,556,431	-	874,751	33,431,182
Vocational Instruction	1,761,796	-	107,489	1,869,285
Special Education Instruction	10,455,423	-	-	10,455,423
Other Instruction	2,893,034	-	1,000,804	3,893,838
Total Instruction	<u>47,666,684</u>	<u>-</u>	<u>1,983,044</u>	<u>49,649,728</u>
Support Services:				
Pupil Services	4,044,057	-	164,396	4,208,453
Instructional Staff Services	3,471,607	-	129,555	3,601,162
General Administration Services	798,631	-	124,570	923,201
School Administration Services	3,398,974	-	49,306	3,448,280
Business Services	697,069	-	80,112	777,181
Operations and Maintenance of Plant	6,647,243	-	2,383,886	9,031,129
Pupil Transportation Services	2,425,223	-	117,849	2,543,072
Food Services	-	-	2,756,298	2,756,298
Central Services	1,215,091	-	3,482	1,218,573
Insurance	556,346	-	33,552	589,898
Other Support Services	1,651,892	-	66,624	1,718,516
Total Support Services	<u>24,906,133</u>	<u>-</u>	<u>5,909,630</u>	<u>30,815,763</u>
Debt Service:				
Principal	-	13,355,000	785,000	14,140,000
Interest and Fiscal Charges	-	686,167	43,073	729,240
Total Debt Service	<u>-</u>	<u>14,041,167</u>	<u>828,073</u>	<u>14,869,240</u>
Community Service	-	-	330,884	330,884
Nonprogram:				
General Tuition Payments	5,711,608	-	17,032	5,728,640
Co-Curricular Cooperative Program	10,138	-	-	10,138
Special Education Tuition Payments	580,929	-	-	580,929
Adjustments and Refunds	10,321	-	619	10,940
Voucher Payments	2,791,497	-	-	2,791,497
Revenue Transits to Others	2,536	-	-	2,536
Total Nonprogram	<u>9,107,029</u>	<u>-</u>	<u>17,651</u>	<u>9,124,680</u>
Total Expenditures	<u>81,679,846</u>	<u>14,041,167</u>	<u>9,069,282</u>	<u>104,790,295</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	131,373	(5,173,298)	382,635	(4,659,290)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Refunding Debt Issued	-	9,215,000	-	9,215,000
Premium on Debt Issued	-	458,264	-	458,264
Principal Paid from Refunding Debt	-	(9,215,000)	-	(9,215,000)
Transfers In (Out)	(36,686)	-	36,686	-
Total Other Financing Sources (Uses)	<u>(36,686)</u>	<u>458,264</u>	<u>36,686</u>	<u>458,264</u>
<b>NET CHANGE IN FUND BALANCES</b>	94,687	(4,715,034)	419,321	(4,201,026)
Fund Balances - July 1	17,780,852	9,759,198	9,616,081	37,156,131
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 17,875,539</u>	<u>\$ 5,044,164</u>	<u>\$ 10,035,402</u>	<u>\$ 32,955,105</u>

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ (4,201,026)

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	1,991,025
Depreciation Expense Reported in the Statement of Activities	(2,536,364)

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 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(9,215,000)
Premium on Debt Issued	(458,264)
Principal Repaid	23,355,000

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	59,285
Amortization of Premiums and Loss on Advance Refunding	82,957
Compensated Absences	112,904
Net Pension Liability (Asset)	3,167,653
Deferred Outflows of Resources Related to Pensions	12,474,186
Deferred Inflows of Resources Related to Pensions	(11,800,246)
Net Other Postemployment Benefits	4,673,726
Deferred Outflows of Resources Related to Other Postemployment Benefits	(2,450,078)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(1,147,566)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 14,108,192</u></u>
--	-----------------------------

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
STATEMENT OF NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2022**

	<u>Employee Benefit Trust</u>
<b>ASSETS</b>	
Cash and Investments	\$ 5,862,676
Accounts Receivable:	
Contributions	<u>1,640,641</u>
Total Assets	<u>7,503,317</u>
<b>LIABILITIES</b>	
Accounts Payable	1,365,312
Unearned Revenues	<u>24,301</u>
Total Liabilities	<u>1,389,613</u>
<b>NET POSITION</b>	
Restricted for Postemployment Benefits	<u><u>\$ 6,113,704</u></u>

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	<u>Employee Benefit Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,550,000
Investment Earnings	3,466
Total Additions	<u>1,553,466</u>
 <b>DEDUCTIONS</b>	
Trust Fund Disbursements	<u>1,273,874</u>
 <b>CHANGE IN NET POSITION</b>	 279,592
Net Position - July 1	<u>5,834,112</u>
 <b>NET POSITION - JUNE 30</b>	 <u><u>\$ 6,113,704</u></u>

See accompanying Notes to Basic Financial Statements.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the West Bend Joint School District #1, West Bend, Wisconsin (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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 common school district. The District, governed by an elected seven-member board, operates grades pre-K through 12 and is comprised of all or parts of nine taxing districts.

In accordance with U.S. GAAP, the basic financial statements are required to include the District (the primary government) 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.

**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* are primarily supported by taxes and intergovernmental revenues.

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 fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. District-Wide and Fund Financial Statements (Continued)**

The District reports the following major governmental funds:

General Fund

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

Referendum Debt Service Fund

This fund accounts for debt service proceeds, payments, and other charges for referendum debt.

Additionally, the District reports the following fund types:

- The *employee benefit trust fund* is used to account for resources legally held in trust for other postemployment benefits in a fiduciary fund.
- The District accounts for the acquisition or construction of major capital facilities and long-term projects in the *Capital Projects* funds.
- The District accounts for community activities and departmental activity in the *Special Revenue* 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 fiduciary fund financial statements, even though the latter are excluded from the district-wide 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.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. 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.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 20<sup>th</sup> of each subsequent month thereafter, 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 60 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.

**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.

**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 at the time individual inventory items are consumed rather than when purchased.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Inventories (Continued)**

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.

**7. Capital Assets**

Capital assets, which include property, plant and equipment assets, are reported 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. Salvage value is 10% of the asset's original cost.

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:

Land Improvements	10 to 20 Years
Buildings and Improvements	20 to 50 Years
Machinery and Equipment	4 to 15 Years

**8. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the district-wide financial statements. 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.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**10. Long-Term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. Pensions (Continued)**

*Supplemental Pension Plan*

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

**12. Other Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Other Postemployment Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments 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 fund balance.** 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 fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** 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.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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)

- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

District-Wide 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.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the fiduciary funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

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. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments totaled \$36,142,106 on June 30, 2022 as summarized below:

Petty Cash and Cash on Hand	\$	450
Deposits with Financial Institutions		17,675,860
Certificates of Deposit		53,427
Investments:		
Wisconsin Investment Series Cooperative (WISC):		
Cash Management Series		129
Limited Duration Series		1,100,419
Investment Series		8,972,456
Wisconsin Local Government Investment Pool		8,339,365
Total		<u>\$ 36,142,106</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	30,279,430
Fiduciary Fund Statement of Net Position:		
Cash and Investments		<u>5,862,676</u>
Total		<u>\$ 36,142,106</u>

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions.

The District has the following fair value measurements as of June 30, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
WISC Investments:			
Cash Management Series	\$ -	\$ 129	\$ -
Limited Term Duration Series	-	1,100,419	-
Investment Series	-	8,972,456	-
Total	\$ -	\$ 10,073,004	\$ -

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.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

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, 2022, \$10,603,130 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire amount was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

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
Wisconsin Investment Series Cooperative:					
Cash Management Series	\$ 129	\$ -	\$ 129	\$ -	\$ -
Limited Duration Series	1,100,419	-	-	1,100,419	-
Investment Series	8,972,456	-	8,972,456	-	-
Wisconsin Local Government Investment Pool	8,339,365	-	-	-	8,339,365
Total	<u>\$ 18,412,369</u>	<u>\$ -</u>	<u>\$ 8,972,585</u>	<u>\$ 1,100,419</u>	<u>\$ 8,339,365</u>

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

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. As of June 30, 2022, the Wisconsin Local Government Investment Pool had a weighted average maturity of 74 days.

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
Wisconsin Investment Series Cooperative:					
Cash Management Series	\$ 129	\$ 129	\$ -	\$ -	\$ -
Limited Duration Series	1,100,419	1,100,419	-	-	-
Investment Series	8,972,456	8,972,456	-	-	-
Wisconsin Local Government Investment Pool	8,339,365	8,339,365	-	-	-
Total	<u>\$ 18,412,369</u>	<u>\$ 18,412,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$10,073,004 at year-end consisting of \$129 invested in the Cash Management Series, \$1,100,419 invested in the Limited Duration Series, and \$8,972,456 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.

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.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$8,339,365 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2022, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,551,702	\$ -	\$ -	\$ 1,551,702
Construction in Progress	50,653	328,051	346,024	32,680
Total Capital Assets, Nondepreciable	1,602,355	328,051	346,024	1,584,382
Capital Assets, Depreciable:				
Land Improvements	3,580,535	108,520	-	3,689,055
Buildings and Improvements	99,954,199	1,246,991	-	101,201,190
Machinery and Equipment	8,146,796	653,487	-	8,800,283
Subtotal	111,681,530	2,008,998	-	113,690,528
Less: Accumulated Depreciation for:				
Land Improvements	2,124,784	105,243	-	2,230,027
Buildings and Improvements	36,874,746	1,965,553	-	38,840,299
Machinery and Equipment	4,798,631	465,568	-	5,264,199
Subtotal	43,798,161	2,536,364	-	46,334,525
Total Capital Assets, Depreciable, Net	67,883,369	(527,366)	-	67,356,003
Governmental Activities Capital Assets, Net	<u>\$ 69,485,724</u>	<u>\$ (199,315)</u>	<u>\$ 346,024</u>	68,940,385
Less: Capital Related Debt				11,520,000
Less: Debt Premium				374,961
Less: Capital Related Accounts Payable				419,900
Add: Loss on refunding				52,399
Net Investment in Capital Assets				<u>\$ 56,677,923</u>

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense. The District's depreciation expense for the fiscal year June 30, 2022 was \$2,536,364.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Receivables, Payables, and Transfers**

Interfund receivables and payables between individual funds of the District, as reported in the fund financial statements, as of June 30, 2022 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances		
Governmental Funds:		
General	\$ 227,662	\$ -
Nonmajor Fund - Head Start	-	227,662
Total	<u>\$ 227,662</u>	<u>\$ 227,662</u>

Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 36,686
Nonmajor - Food Service	4,686	-
Nonmajor - Cooperative Fund	32,000	-
Total	<u>\$ 36,686</u>	<u>\$ 36,686</u>

Interfund transfers were made for the following purposes:

Finance Cooperative Costs	\$ 32,000
Finance Substitute Teacher Lunches	4,686
Total	<u>\$ 36,686</u>

**D. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 24,850,000	\$ 9,215,000	\$ 23,155,000	\$ 10,910,000	\$ 3,555,000
Notes	1,410,000	-	200,000	1,210,000	210,000
Total General Obligation Debt	26,260,000	9,215,000	23,355,000	12,120,000	3,765,000
Debt Premium	104,448	458,264	187,751	374,961	-
Compensated Absences	274,171	36,319	149,223	161,267	102,480
Governmental Activities Long-Term Obligations	<u>\$ 26,638,619</u>	<u>\$ 9,709,583</u>	<u>\$ 23,691,974</u>	<u>\$ 12,656,228</u>	<u>\$ 3,867,480</u>

Total interest paid during the year on long-term debt totaled \$654,997.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/22
General Obligation Bonds	9/15/10	9/15/24	1.75%	\$ 7,300,000	\$ 3,045,000
General Obligation Bonds	12/10/12	4/1/23	2.15 - 2.60%	4,485,000	600,000
General Obligation Notes	9/2/14	4/1/23	2.50 - 3.00%	800,000	210,000
General Obligation Notes	4/15/15	3/16/24	0.00%	1,000,000	1,000,000
General Obligation Bonds	8/16/21	4/1/26	1.50 - 4.00%	9,215,000	7,265,000
Total Outstanding General Obligation Debt					<u>\$ 12,120,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$12,120,000 on June 30, 2022 are detailed below:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,765,000	\$ 443,628	\$ 4,208,628
2024	3,980,000	261,550	4,241,550
2025	4,135,000	168,575	4,303,575
2026	240,000	9,600	249,600
Total	<u>\$ 12,120,000</u>	<u>\$ 883,353</u>	<u>\$ 13,003,353</u>

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

Current Refunding

During August of 2021, the District currently refunded general obligation school improvement bonds issued during 2010 and 2013. The District issued general obligation refunding bonds in the amount of \$9,215,000 which were utilized to call the refunded debt. These current refundings were undertaken to reduce total debt service payments over the next six years by \$447,331. The economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$333,720.

Advance Refunding

During April of 2022, the District advance refunded a general obligation refunding bond issue from 2013. The District utilized existing cash reserves of \$9,956,000 to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. This advance refunding was undertaken to reduce total debt service payments of the next six years by \$11,324,444.

At June 30, 2022, \$9,985,000 of outstanding general obligation refunding bonds are considered defeased.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2022 was \$621,692,407 as follows:

Equalized Valuation of the District	\$ 6,338,124,066
Statutory Limitation Percentage	(x) 10%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	633,812,407
Total Outstanding General Obligation Debt Applicable to Debt Limitation	12,120,000
Legal Margin for New Debt	\$ 621,692,407

**E. Pension Plans**

The District reports pension related balances at June 30, 2022, as summarized below:

	Pension (Asset) Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Revenue)
Wisconsin Retirement System (WRS)	\$ (20,023,200)	\$ 37,897,692	\$ 47,233,856	\$ (1,758,916)
Supplemental or Stipend Pension Plan	5,992,888	-	-	745,710
Total	\$ (14,030,312)	\$ 37,897,692	\$ 47,233,856	\$ (1,013,206)

**1. WRS Pension Plan**

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan (Continued)**

Plan Description (Continued)

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

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

The WRS also provides death and disability benefits for employees.

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:

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan (Continued)**

Postretirement Adjustments (Continued)

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

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, 2022, the WRS recognized \$2,823,784 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)	6.50%	6.50%

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan (Continued)**

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

At June 30, 2022, the District reported an asset of \$20,023,200 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was .24842113%, which was a decrease of .000961955% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2022, the District recognized pension revenue of \$1,758,916.

At June 30, 2022, 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	\$ 32,346,467	\$ 2,332,529
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	44,793,563
Changes in Assumptions	3,735,644	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	72,252	107,764
Employer Contributions Subsequent to the Measurement Date	1,743,329	-
Total	<u>\$ 37,897,692</u>	<u>\$ 47,233,856</u>

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan (Continued)**

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

\$1,743,329 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, 2023. 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>
2023	\$ (951,005)
2024	(5,455,112)
2025	(2,393,212)
2026	(2,280,164)
Total	\$ (11,079,493)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan (Continued)**

Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality, and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0%	4.3%	1.8%
Inflation Sensitive Assets	19.0%	2.7%	0.2%
Real Estate	7.0%	5.6%	3.0%
Private Equity/Debt	12.0%	9.7%	7.0%
Cash	-15.0%	0.9%	NA
Total Core Fund	100.0%	6.6%	4.0%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.3%	3.7%
International Equities	30.0%	7.2%	4.6%
Total Variable Fund	100.0%	6.8%	4.2%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**1. WRS Pension Plan (Continued)**

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

**Single Discount Rate.** A single discount rate of 6.80% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% 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 benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,207,880	\$ (20,023,200)	\$ (44,663,208)

**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>.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**1. WRS Pension Plan (Continued)**

Payable to the Pension Plan

At June 30, 2022, the District reported a payable of \$290,310 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2022.

**2. Supplemental Pension Plan**

Pension Description

The plan is a single-employer, defined benefit pension plan established to provide benefits after retirement. The plan is administered by the District.

Benefits Provided

A summary of eligibility requirements and plan benefits follow:

Tier 2 Employee      Eligibility: At least 57 with 17 continuous years of service, ages 40 through 49 as of December 31, 2014

The District will provide contributions into a 403(b) for the individual based on the following schedule:

<u>Years of Service</u>	<u>Contribution Credit</u>
1 to 3	0%
4 to 9	2%
10 to 14	3%
15 or more	4%

Employees are also eligible for a one-time prior service credit based on their age and years of service as of January 1, 2014. See plan documents for specific calculations.

Tier 3 Employee      Eligibility: At least 57 with 17 continuous years of service, under age 40 as of December 31, 2014

The District will provide contributions into a 403(b) for the individual based on the following schedule:

<u>Years of Service</u>	<u>Contribution Credit</u>
1 to 3	0%
4 to 9	2%
10 to 14	3%
15 or more	4%

These employees are not eligible for the past service credits.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**2. Supplemental Pension Plan (Continued)**

Employees Covered by Benefit Terms

Active Employees	518
------------------	-----

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement period, unless otherwise specified:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Reporting Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	30 year level %
Actuarial Assumptions:	
Discount Rate	2.25%

Single Discount Rate

A single discount rate of 2.25% was used to measure the total pension liability. This single discount rate was based on the 20-year tax exempt AA municipal bond index.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	Balance at June 30, 2020	\$ 6,642,438	\$ 1,395,260
Changes for the Year:			
Service Cost	590,875	-	590,875
Interest	156,102	-	156,102
Net Investment Income	-	1,267	(1,267)
Net Changes	746,977	1,267	745,710
Balance at June 30, 2021	\$ 7,389,415	\$ 1,396,527	\$ 5,992,888

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**2. Supplemental Pension Plan (Continued)**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net Pension Liability	\$ 6,423,898	\$ 5,992,888	\$ 5,563,863

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension

For the year ended June 30, 2022, the District recognized pension expense of \$745,710.

At June 30, 2022, the District reported no deferred outflows of resources and deferred inflows of resources related to the supplemental pension.

Payable to the Supplemental Pension Plan

At June 30, 2022, the District had no outstanding amount of contributions to the Plan required for the year ended June 30, 2022.

**F. Other Postemployment Benefits**

Plan Description

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 coverage through the District's group plan. District paid medical benefits are paid for as indicated below. Effective January 1, 2015, the District implemented a tiered benefit program. As of December 31, 2014, active employees over the age of 50 were classified as Tier 1, employees between the age of 40 and 49 were classified as Tier 2, all other employees were classified as Tier 3. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

Employees that meet the Tier 1 requirements, receive medical benefits equal to the same medical program available to active employees until the employee has reached Medicare eligibility. Employees that met the Tier 2 and 3 requirements below, receive a District contribution to the employee's TSA/403(b) account at retirement.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	59
Active Employees	510
Total	569

Contributions

Tier 1 Employee

Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premium based on the employee group and their retirement date.

**Investments.** The Plan does not have a separate investment policy from the District. The Plan's investments at June 30, 2022 are entirely in cash and in short-term investments in the Wisconsin Investment Series Cooperative. The asset allocation policy is to invest entirely in cash and short-term investments. The investment in the Wisconsin Investment Series Cooperative has an expected rate of return of approximately 2.25%. At June 30, 2022, the Plan had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Plan investments.

For the year ended June 30, 2022, the annual money-weighted rate of return, net of investment expenses, was 0.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**OPEB Plan Information.** At June 30, 2022, the Plan's total OPEB liability was \$5,596,677 and fiduciary net position was \$4,721,275, resulting in a net OPEB liability of \$875,402. The net OPEB liability for purposes of Plan reporting was measured at June 30, 2021 and the total OPEB liability was determined using an actuarial valuation at June 30, 2021. Plan fiduciary net position was 84.36% of the total OPEB liability.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Net OPEB Liability (Continued)

**Actuarial Assumptions.** The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Amortization Method:	Entry Age Normal - Level % of Salary
Inflation:	2.00%
Discount Rate:	2.25%
Salary Increases:	3.00%
Investment Rate of Return:	2.25%
Healthcare Cost Trend Rates:	Medical Claim Trend - 6.5% Decreasing by 0.10% Per Year Down to 5.0%, and level thereafter

Mortality rates are based on the Wisconsin 2018 Mortality table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied 60%).

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience form 2015-2017.

The long-term expected rate of return on OPEB plan investments was valued at 2.25% using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses 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.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to 3.0% of the annual payroll expected to be paid in future years. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2020	\$ 9,359,889	\$ 2,370,769	\$ 6,989,120
Changes for the Year:			
Service Cost	198,623	-	198,623
Interest	199,509	-	199,509
Change in benefit terms	(527,789)	-	(527,789)
Difference Between Expected and Actual Experience	(1,295,536)	-	(1,295,536)
Changes in Assumptions or Other Input	2,554	-	2,554
Employer Contributions	-	3,250,000	(3,250,000)
Net Investment Income	-	1,087	(1,087)
Benefit Payments	(1,184,272)	(1,184,272)	-
Net Changes	(2,606,911)	2,066,815	(4,673,726)
Balance at June 30, 2021	<u>\$ 6,752,978</u>	<u>\$ 4,437,584</u>	<u>\$ 2,315,394</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB liability	\$ 2,479,163	\$ 2,315,394	\$ 2,153,935

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.** The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using 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 (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Net OPEB liability	\$ 2,119,776	\$ 2,315,394	\$ 2,522,193

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Other Postemployment Benefits (Continued)**

Changes in the Net OPEB Liability (Continued)

**OPEB Plan Fiduciary Net Position.** Information about the OPEB plan's fiduciary net position is presented in the Employee Benefit Trust Fund in these financial statements.

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$473,918. At June 30, 2022, 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	\$ 3,316,574	\$ 1,165,982
Changes in Assumptions	1,571,366	139,959
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	88,015	-
District Contributions Subsequent to the Measurement Date	1,550,000	-
Total	<u>\$ 6,525,955</u>	<u>\$ 1,305,941</u>

The \$1,550,000 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, and reported in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

<u>Year Ending June 30,</u>	<u>Expense</u>
2023	\$ 543,961
2024	535,081
2025	532,643
2026	528,022
2027	512,923
Thereafter	1,017,384
Total	<u>\$ 3,670,014</u>

Payable to the OPEB Plan

At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended June 30, 2022.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Equity**

Nonspendable Fund Balance

In the fund financial statements, portions of the 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, 2022, nonspendable fund balance was as follows:

	General	Nonmajor
Nonspendable:		
Inventories and Prepaid Items	\$ 6,322	\$ 20,907

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, 2022, restricted fund balance was as follows:

General Fund:	
Restricted for:	
Common School Funds	\$ 4,994
Get Kids Ahead Grant	92,590
Special Revenue Funds:	
Restricted for:	
Food Service Programs	1,683,335
Community Service Activities	62,977
Donations	904,845
Debt Service Funds:	
Restricted for:	
Referendum Debt Service	5,044,164
Non-Referendum Debt Service	953,406
Capital Projects Fund:	
Restricted for:	
Capital Improvements	3,654,774
Capital Projects	2,755,158
Total Restricted Fund Balance	\$ 15,156,243

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. 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, 2022, fund balance was committed as follows:

General Fund:

Committed for:

Jackson	\$ 1,474,922
Other Capital Projects	125,000
Self insurance	3,205,288
Employee Benefits	913,031
Total Committed Fund Balance	\$ 5,718,241

Minimum General Fund Balance Policy

The District has also adopted a total minimum fund balance policy of 10% - 15% of 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:

2021 - 2022 General Fund Expenditures	\$ 81,679,846
Minimum Fund Balance %	(x) 10% to 15%
Minimum Fund Balance Amount	\$8,167,985 to \$12,251,977

The District's total General Fund balance of \$17,875,539 is above the minimum fund balance amount.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION**

**A. Risk Management**

Restricted Fiduciary Fund Net Position (Continued)

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.

Self-Funded Insurance Program

The District has a self-insured workers' compensation benefit plan for its employees. The Plan administrators are 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, 2022.

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.

As part of the workers' compensation coverage of the Plan, the District purchases stop-loss coverage, which pays claims in excess of \$250,000 per individual and/or 100% of the annual estimated claims as provided by the claims administrator. For the year ended June 30, 2022, the aggregate claim limit was \$10,243,568. The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2022, the District has reported a liability of \$1,012,001 which represents reported and unreported claims which were incurred on or before June 30, 2022, 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, 2021 and June 30, 2022 are as follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2021	\$ 1,035,000	\$ 8,342,088	\$ 8,428,088	\$ 949,000
2022	949,000	10,545,499	10,482,498	1,012,001

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Contingencies**

Self-Funded Insurance Program (Continued)

The District participates in a number of federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Grantor agency review and audit may lead to requests for reimbursements to the grantor agencies for expenditures that are disallowed under the terms of the grants. Management believes such disallowances, if any, would 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.

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.

**E. Prior Period Adjustment**

During the fiscal year ended June 30, 2022 the District recorded a prior period adjustment for governmental activities in the amount of \$5,247,178 to record the supplemental pension plan.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 36,041,627	\$ 36,055,127	\$ 36,041,139	\$ (13,988)
Other Local Sources	590,700	556,925	593,822	36,897
Interdistrict Sources	1,342,037	1,419,589	1,386,296	(33,293)
Intermediate Sources	26,825	28,825	33,993	5,168
State Sources	35,598,287	35,559,188	35,530,961	(28,227)
Federal Sources	3,726,345	2,921,583	2,562,538	(359,045)
Other Sources	227,000	226,920	370,497	143,577
Total Revenues	<u>77,552,821</u>	<u>76,768,157</u>	<u>76,519,246</u>	<u>(248,911)</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	32,571,904	32,557,980	32,556,431	1,549
Vocational Instruction	1,724,733	1,834,005	1,761,796	72,209
Other Instruction	2,465,951	2,798,661	2,893,034	(94,373)
Total Instruction	<u>36,762,588</u>	<u>37,190,646</u>	<u>37,211,261</u>	<u>(20,615)</u>
Support Services:				
Pupil Services	3,024,442	2,840,136	2,803,528	36,608
Instructional Staff Services	3,317,320	2,817,842	2,934,523	(116,681)
General Administration Services	676,001	770,967	798,631	(27,664)
School Administration Services	3,349,247	3,409,940	3,398,974	10,966
Business Services	691,145	679,848	697,069	(17,221)
Operations and Maintenance of Plant	7,486,577	6,725,526	6,641,543	83,983
Pupil Transportation Services	1,978,398	2,152,019	2,031,607	120,412
Central Services	1,296,631	1,258,881	1,211,809	47,072
Insurance	613,915	593,143	556,346	36,797
Other Support Services	1,483,485	1,645,825	1,651,892	(6,067)
Total Support Services	<u>23,917,161</u>	<u>22,894,127</u>	<u>22,725,922</u>	<u>168,205</u>
Nonprogram:				
General Tuition Payments	5,231,586	5,562,875	5,711,608	(148,733)
Co-Curricular Cooperative Program	7,000	7,000	10,138	(3,138)
Adjustments and Refunds	5,000	10,321	10,321	-
Voucher Payments	2,757,223	2,757,223	2,791,497	(34,274)
Total Nonprogram	<u>8,000,809</u>	<u>8,337,419</u>	<u>8,523,564</u>	<u>(186,145)</u>
Total Expenditures	<u>68,680,558</u>	<u>68,422,192</u>	<u>68,460,747</u>	<u>(38,555)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	8,872,263	8,345,965	8,058,499	(287,466)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(8,872,263)	(8,345,963)	(7,963,812)	382,151
<b>NET CHANGE IN FUND BALANCE</b>	-	2	94,687	94,685
Fund Balance - July 1	<u>17,780,852</u>	<u>17,780,852</u>	<u>17,780,852</u>	<u>-</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 17,780,852</u>	<u>\$ 17,780,854</u>	<u>\$ 17,875,539</u>	<u>\$ 94,685</u>

See accompanying Notes to Required Supplementary Information.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND**  
**BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interdistrict Sources	\$ 60,000	\$ 81,000	\$ 83,295	\$ 2,295
Intermediate Sources	10,000	10,000	2,188	(7,812)
State Sources	3,027,348	3,378,686	3,213,873	(164,813)
Federal Sources	2,024,766	1,911,663	1,992,617	80,954
Total Revenues	<u>5,122,114</u>	<u>5,381,349</u>	<u>5,291,973</u>	<u>(89,376)</u>
<b>EXPENDITURES</b>				
Instruction:				
Special Education Instruction	10,926,313	10,853,308	10,455,423	397,885
Other Instruction	16,556	20,320	-	20,320
Total Instruction	<u>10,942,869</u>	<u>10,873,628</u>	<u>10,455,423</u>	<u>418,205</u>
Support Services:				
Pupil Services	1,338,970	1,224,993	1,240,529	(15,536)
Instructional Staff Services	765,373	569,031	537,084	31,947
Operations and Maintenance of Plant	5,900	5,805	5,700	105
Pupil Transportation Services	378,315	383,680	393,616	(9,936)
Central Services	450	3,295	3,282	13
Total Support Services	<u>2,489,008</u>	<u>2,186,804</u>	<u>2,180,211</u>	<u>6,593</u>
Nonprogram:				
Special Education Tuition Payments	529,000	628,343	580,929	47,414
Revenue Transits to Others	-	2,537	2,536	1
Total Nonprogram	<u>529,000</u>	<u>630,880</u>	<u>583,465</u>	<u>47,415</u>
Total Expenditures	<u>13,960,877</u>	<u>13,691,312</u>	<u>13,219,099</u>	<u>472,213</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,838,763)</b>	<b>(8,309,963)</b>	<b>(7,927,126)</b>	<b>382,837</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>8,838,763</u>	<u>8,309,963</u>	<u>7,927,126</u>	<u>(382,837)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - JUNE 30</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL PERIODS\***

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 130,511	\$ 198,623	\$ 163,671	\$ 1,029,376	\$ 1,004,269	\$ 1,038,782
Interest	139,079	199,509	326,059	295,825	307,659	290,156
Changes of Benefit Terms	-	(527,789)	-	-	-	-
Changes in Accounting Principle	-	-	-	(5,147,637)	-	-
Differences Between Expected and Actual Experience	-	(1,295,536)	-	1,209,653	-	688,098
Changes of Assumptions	(152,017)	2,554	306,003	1,891,807	-	-
Benefit Payments	(1,273,874)	(1,184,272)	(1,339,950)	(1,386,497)	(1,204,894)	(1,359,839)
Net Change in Total OPEB Liability	(1,156,301)	(2,606,911)	(544,217)	(2,107,473)	107,034	657,197
Total OPEB Liability - Beginning	6,752,978	9,359,889	9,904,106	12,011,579	11,904,545	11,247,348
Total OPEB Liability - Ending (a)	<u>\$ 5,596,677</u>	<u>\$ 6,752,978</u>	<u>\$ 9,359,889</u>	<u>\$ 9,904,106</u>	<u>\$ 12,011,579</u>	<u>\$ 11,904,545</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,550,000	\$ 3,250,000	\$ 2,200,000	\$ 1,250,000	\$ 1,166,050	\$ 1,226,456
Contributions - Employee	-	-	-	-	-	-
Net Investment Income	7,565	1,087	43,345	57,898	25,765	15,758
Benefit Payments	(1,273,874)	(1,184,272)	(1,339,950)	(1,386,497)	(1,204,894)	(1,359,839)
Administrative Expenses	-	-	-	-	-	-
Other	-	-	-	(1,325,760)	103,848	118,635
Net Change in Plan Fiduciary Net Position	283,691	2,066,815	903,395	(1,404,359)	90,769	1,010
Plan Fiduciary Net Position - Beginning	4,437,584	2,370,769	1,467,374	2,871,733	2,780,964	2,779,954
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,721,275</u>	<u>\$ 4,437,584</u>	<u>\$ 2,370,769</u>	<u>\$ 1,467,374</u>	<u>\$ 2,871,733</u>	<u>\$ 2,780,964</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 875,402</u>	<u>\$ 2,315,394</u>	<u>\$ 6,989,120</u>	<u>\$ 8,436,732</u>	<u>\$ 9,139,846</u>	<u>\$ 9,123,581</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	84.36%	65.71%	25.33%	14.82%	23.91%	23.36%
Covered-Employee Payroll	\$ 36,102,426	\$ 36,102,426	\$ 34,220,839	\$ 34,220,839	\$ 35,929,795	\$ 35,762,732
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	2.42%	6.41%	20.42%	24.65%	25.44%	25.51%
Annual Money-Weighted Rate of Return, Net of Investment Expenses		1.66%	2.92%	0.95%	0.58%	0.23%

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFITS  
LAST TEN FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$ 2,500,938	\$ 3,276,165	\$ 2,368,276	\$ 1,122,048	\$ 1,100,047	\$ 1,100,903	\$ 1,130,182
Contributions in Relation to the ADC	1,550,000	3,250,000	2,200,000	1,250,000	1,166,050	1,226,456	1,284,636
Contribution Deficiency (Excess)	<u>\$ 950,938</u>	<u>\$ 26,165</u>	<u>\$ 168,276</u>	<u>\$ (127,952)</u>	<u>\$ (66,003)</u>	<u>\$ (125,553)</u>	<u>\$ (154,454)</u>
Covered-Employee Payroll	\$ 36,102,426	\$ 36,102,426	\$ 34,220,839	\$ 34,220,839	\$ 35,929,795	\$ 35,762,732	\$ 36,372,355
Contributions as a Percentage of Covered-Employee Payroll	4.29%	9.00%	6.43%	3.65%	3.25%	3.43%	3.53%

Key Methods and Assumption Used to Calculate ADC

Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Project Unit Credit	Project Unit Credit	Project Unit Credit	Project Unit Credit
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Amortization Method	2 Year Level %	2 Year Level %	4 Year Level %	24 Year Level %	24 Year Level %	24 Year Level %	24 Year Level %
Discount Rate	2.25%	3.50%	3.50%	2.50%	2.50%	2.50%	2.50%
Inflation	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
SUPPLEMENTAL PENSION PLAN  
LAST TEN MEASUREMENT PERIODS**

Measurement Date as of June 30	2021
Total Pension Liability	
Service Cost	\$ 590,875
Interest	156,102
Net Change in Total Pension Liability	<u>746,977</u>
Total Pension Liability - Beginning	<u>6,642,438</u>
Total Pension Liability - Ending (a)	<u><u>\$ 7,389,415</u></u>
Plan Fiduciary Net Position	
Net Investment Income	\$ 1,267
Net Change in Plan Fiduciary Net Position	<u>1,267</u>
Plan Fiduciary Net Position - Beginning	<u>1,395,260</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,396,527</u></u>
District's Net Pension Liability - Ending (a) - (b)	<u><u>\$ 5,992,888</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	18.90%
Covered-Employee Payroll	\$ 31,978,622
District's Net Pension Liability as a Percentage of Covered-Employee Payroll	18.74%

*See accompanying Notes to Required Supplementary Information.*

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SUPPLEMENTAL PENSION PLAN  
LAST TEN MEASUREMENT PERIODS**

	2022
Actuarially Determined Contribution (ADC)	\$ 801,117
Contributions in Relation to the ADC	-
Contribution Deficiency (Excess)	\$ 801,117
 Covered-Employee Payroll	 \$ 31,978,622
 Contributions as a Percentage of Covered-Employee Payroll	  0.00%

Key Methods and Assumption Used to Calculate ADC

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	30 Year Level %
Discount Rate	2.25%
Inflation	2.00%

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST TEN MEASUREMENT PERIODS**

Plan 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	0.28329752%	\$ (6,958,562)	\$ 39,381,219	17.67%	102.74%
12/31/15	0.28838483%	4,686,198	41,977,765	11.16%	98.20%
12/31/16	0.28637276%	2,360,395	40,803,968	5.78%	99.12%
12/31/17	0.28426298%	(8,440,105)	40,899,471	20.64%	102.93%
12/31/18	0.27532826%	9,795,316	41,311,126	23.71%	96.45%
12/31/19	0.26790955%	(8,638,627)	41,593,854	20.77%	102.96%
12/31/20	0.25804068%	(16,109,837)	41,127,665	39.17%	105.26%
12/31/21	0.24842113%	(20,023,200)	41,411,272	48.35%	106.02%

**SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

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	\$ 2,724,452	\$ 2,724,452	\$ -	\$ 39,649,667	6.87%
6/30/16	2,755,291	2,755,291	-	41,247,877	6.68%
6/30/17	2,756,182	2,756,182	-	41,003,322	6.72%
6/30/18	2,759,900	2,759,900	-	40,954,953	6.74%
6/30/19	2,564,845	2,564,845	-	38,785,340	6.61%
6/30/20	2,734,372	2,734,372	-	41,074,516	6.66%
6/30/21	2,774,007	2,774,007	-	40,916,936	6.78%
6/30/22	2,823,784	2,823,784	-	42,809,690	6.60%

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

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

Changes of assumptions:

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

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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
  - Lowering the discount rate from 7.2% to 7.0%
  - Lowering the wage inflation rate from 3.2% to 3.0%
  - Lowering the price inflation rate from 2.7% to 2.5%
  - Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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 10 fiscal years are presented.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

There were no changes of benefit terms.

The assumption changes that were used to measure the June 30, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.0%
- Lowering the medical claim trend from 7.5% Decreasing by 0.5% per year down to 5.0% to 6.5% Decreasing by 0.10% per year down to 5.0%.

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 10 fiscal years are presented.

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**NOTE 3 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.

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.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District's total General Fund expenditures for the year ended June 30, 2022 exceeded budget by \$38,555.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)**

**Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented in accordance with accounting principles generally accepted in the United States of America, 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 accounting principles generally accepted in the United States of America, 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 U.S. GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education</u>
Revenues:		
Actual Amounts (Budgetary Basis)	\$ 76,519,246	\$ 5,291,973
Reclassification of Special Education Fund	<u>5,291,973</u>	<u>(5,291,973)</u>
Total Revenues	81,811,219	-
Expenditures:		
Actual Amounts (Budgetary Basis)	68,460,747	13,219,099
Reclassification of Special Education Fund	<u>13,219,099</u>	<u>(13,219,099)</u>
Total Expenditures	81,679,846	-
Excess of Revenues Over (Under) Expenditures:		
Actual Amounts (Budgetary Basis)	8,058,499	(7,927,126)
Reclassification of Special Education Fund	<u>(7,927,126)</u>	<u>7,927,126</u>
Excess of Revenues Over (Under) Expenditures	131,373	-
Other Financing Sources (Uses)		
Actual Amounts (Budgetary Basis)	(7,963,812)	7,927,126
Reclassification of Special Education Fund	<u>7,927,126</u>	<u>(7,927,126)</u>
Total Other Financing Sources (Uses)	<u>(36,686)</u>	-
Net Change in Fund Balance:		
Actual Amounts (Budgetary Basis)	94,687	-
Fund Balance - July 1		
Actual Amounts (Budgetary Basis)	<u>17,780,852</u>	-
Fund Balance - June 30	<u>\$ 17,875,539</u>	<u>\$ -</u>

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 3 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, 2022 as follows:

Funds	Excess Expenditures
General Fund:	
Instruction:	
Other Instruction	\$ 94,373
Support Services:	
Instructional Staff Services	116,681
General Administration Services	27,664
Business Services	17,221
Other Support Services	6,067
Nonprogram:	
General Tuition Payments	148,733
Co-Curricular Cooperative Program	3,138
Voucher Payments	34,274
Special Education Fund:	
Support Services:	
Pupil Services	15,536
Pupil Transportation Services	9,936

The amounts were funded using positive variances in other accounts of the general fund and special education fund.

## **SUPPLEMENTARY INFORMATION**

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	Special Revenue				Debt Service	Capital Projects		Total Nonmajor Governmental Funds	
	Donations	Head Start	Food Service	Community Service	Cooperative Fund	Nonreferendum Debt Service	Long-Term Capital Improvement		Capital Projects
<b>ASSETS</b>									
Cash and Investments	\$ 906,624	\$ -	\$ 1,783,568	\$ 71,004	\$ -	\$ 953,406	\$ 3,654,774	\$ 3,084,158	\$ 10,453,534
Due from Other Governments	-	337,282	6,067	-	-	-	-	-	343,349
Inventories and Prepaid Items	-	-	20,907	-	-	-	-	-	20,907
Total Assets	<u>\$ 906,624</u>	<u>\$ 337,282</u>	<u>\$ 1,810,542</u>	<u>\$ 71,004</u>	<u>\$ -</u>	<u>\$ 953,406</u>	<u>\$ 3,654,774</u>	<u>\$ 3,084,158</u>	<u>\$ 10,817,790</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 1,779	\$ 11,493	\$ 4,109	\$ -	\$ -	\$ -	\$ -	\$ 329,000	\$ 346,381
Accrued and Other Current Liabilities	-	73,148	6,898	8,027	-	-	-	-	88,073
Due to Other Funds	-	227,662	-	-	-	-	-	-	227,662
Unearned Revenues	-	24,979	91,325	-	-	-	-	-	116,304
Health and Dental Claims Payable	-	-	3,968	-	-	-	-	-	3,968
Total Liabilities	<u>1,779</u>	<u>337,282</u>	<u>106,300</u>	<u>8,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,000</u>	<u>782,388</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	20,907	-	-	-	-	-	20,907
Restricted	<u>904,845</u>	<u>-</u>	<u>1,683,335</u>	<u>62,977</u>	<u>-</u>	<u>953,406</u>	<u>3,654,774</u>	<u>2,755,158</u>	<u>10,014,495</u>
Total Fund Balances	<u>904,845</u>	<u>-</u>	<u>1,704,242</u>	<u>62,977</u>	<u>-</u>	<u>953,406</u>	<u>3,654,774</u>	<u>2,755,158</u>	<u>10,035,402</u>
Total Liabilities and Fund Balances	<u>\$ 906,624</u>	<u>\$ 337,282</u>	<u>\$ 1,810,542</u>	<u>\$ 71,004</u>	<u>\$ -</u>	<u>\$ 953,406</u>	<u>\$ 3,654,774</u>	<u>\$ 3,084,158</u>	<u>\$ 10,817,790</u>

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	Special Revenue				Debt Service	Capital Projects		Total Nonmajor Governmental Funds	
	Donations	Head Start	Food Service	Community Service	Cooperative Fund	Nonreferendum Debt Service	Long-Term Capital Improvement		Capital Projects
<b>REVENUES</b>									
Property Taxes	\$ -	\$ -	\$ -	\$ 270,000	\$ -	\$ 816,774	\$ -	\$ 1,665,000	\$ 2,751,774
Other Local Sources	1,180,273	-	321,725	15,165	-	1,940	-	4,619	1,523,722
Interdistrict Sources	-	-	-	-	43,201	-	-	-	43,201
Intermediate Sources	-	-	-	-	-	-	-	-	-
State Sources	-	-	99,960	-	-	-	-	-	99,960
Federal Sources	-	1,464,530	3,567,467	-	-	-	-	-	5,031,997
Other Sources	-	-	1,263	-	-	-	-	-	1,263
<b>Total Revenues</b>	<b>1,180,273</b>	<b>1,464,530</b>	<b>3,990,415</b>	<b>285,165</b>	<b>43,201</b>	<b>818,714</b>	<b>-</b>	<b>1,669,619</b>	<b>9,451,917</b>
<b>EXPENDITURES</b>									
Instruction:									
Regular Instruction	58,296	816,455	-	-	-	-	-	-	874,751
Vocational Instruction	107,489	-	-	-	-	-	-	-	107,489
Other Instruction	899,595	28,409	-	-	72,800	-	-	-	1,000,804
<b>Total Instruction</b>	<b>1,065,380</b>	<b>844,864</b>	<b>-</b>	<b>-</b>	<b>72,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,983,044</b>
Support Services:									
Pupil Services	9,802	154,594	-	-	-	-	-	-	164,396
Instructional Staff Services	10,522	119,033	-	-	-	-	-	-	129,555
General Administration Services	-	124,570	-	-	-	-	-	-	124,570
School Administration Services	20,630	28,676	-	-	-	-	-	-	49,306
Business Services	80,112	-	-	-	-	-	-	-	80,112
Operations and Maintenance of Plant	-	66,576	27,655	10,040	-	-	-	2,279,615	2,383,886
Pupil Transportation Services	490	105,703	-	9,255	2,401	-	-	-	117,849
Food Services	-	-	2,756,298	-	-	-	-	-	2,756,298
Central Services	-	3,482	-	-	-	-	-	-	3,482
Insurance	-	-	33,552	-	-	-	-	-	33,552
Other Support Services	-	-	66,624	-	-	-	-	-	66,624
<b>Total Support Services</b>	<b>121,556</b>	<b>602,634</b>	<b>2,884,129</b>	<b>19,295</b>	<b>2,401</b>	<b>-</b>	<b>-</b>	<b>2,279,615</b>	<b>5,909,630</b>
Debt Service:									
Principal	-	-	-	-	-	785,000	-	-	785,000
Interest and Fiscal Charges	-	-	-	-	-	43,073	-	-	43,073
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>828,073</b>	<b>-</b>	<b>-</b>	<b>828,073</b>
Community Service	-	-	-	330,884	-	-	-	-	330,884
Nonprogram:									
General Tuition Payments	-	17,032	-	-	-	-	-	-	17,032
Adjustments and Refunds	-	-	-	-	-	-	619	-	619
<b>Total Nonprogram</b>	<b>-</b>	<b>17,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619</b>	<b>-</b>	<b>17,651</b>
<b>Total Expenditures</b>	<b>1,186,936</b>	<b>1,464,530</b>	<b>2,884,129</b>	<b>350,179</b>	<b>75,201</b>	<b>828,073</b>	<b>619</b>	<b>2,279,615</b>	<b>9,069,282</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>									
<b>EXPENDITUES</b>	(6,663)	-	1,106,286	(65,014)	(32,000)	(9,359)	(619)	(609,996)	382,635
<b>OTHER FINANCING SOURCES</b>									
Transfers In	-	-	4,686	-	32,000	-	-	-	36,686
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,663)</b>	<b>-</b>	<b>1,110,972</b>	<b>(65,014)</b>	<b>-</b>	<b>(9,359)</b>	<b>(619)</b>	<b>(609,996)</b>	<b>419,321</b>
Fund Balances - July 1	911,508	-	593,270	127,991	-	962,765	3,655,393	3,365,154	9,616,081
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 904,845</b>	<b>\$ -</b>	<b>\$ 1,704,242</b>	<b>\$ 62,977</b>	<b>\$ -</b>	<b>\$ 953,406</b>	<b>\$ 3,654,774</b>	<b>\$ 2,755,158</b>	<b>\$ 10,035,402</b>

**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  
West Bend Joint School District #1  
West Bend, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Bend Joint School District #1 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

**West Bend Joint School District #1’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

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



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
December 9, 2022

## **FEDERAL AND STATE AWARDS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL 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  
West Bend Joint School District #1  
West Bend, Wisconsin

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

***Opinion on Each Major Federal and State Program***

We have audited West Bend Joint School District #1's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
December 9, 2022

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Grantor Agency/Federal Program Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/21	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/22	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Child Nutrition Cluster:								
COVID-19 School Breakfast Program	10.553	WI DPI	2021-666307-DPI-SB-546	\$ (29,131)	\$ 29,131	\$ -	\$ -	\$ -
COVID-19 School Breakfast Program	10.553	WI DPI	2021-666307-DPI-SB-SEVERE-546	(3,573)	3,573	-	-	-
COVID-19 School Breakfast Program	10.553	WI DPI	2022-666307-DPI-SB-546	-	195,544	1,904	197,448	-
COVID-19 School Breakfast Program	10.553	WI DPI	2022-666307-DPI-SB-SEVERE-546	-	250,589	4,163	254,752	-
Total School Breakfast Program				(32,704)	478,837	6,067	452,200	-
COVID-19 National School Lunch Program	10.555	WI DPI	2021-666307-DPI-NSL-547	(92,539)	92,539	-	-	-
COVID-19 National School Lunch Program	10.555	WI DPI	2022-666307-DPI-NSL-547	-	2,810,244	-	2,810,244	-
Donated Commodities	10.555	WI DPI	N/A	-	234,271	-	234,271	-
Total National School Lunch Program				(92,539)	3,137,054	-	3,044,515	-
Total Child Nutrition Cluster				(125,243)	3,615,891	6,067	3,496,715	-
Child and Adult Care Food Program	10.558	WI DPI	2022-666307-DPI-CCI-561	-	67,690	-	67,690	-
Pandemic EBT Administrative Costs	10.649	WI DPI	N/A	-	3,063	-	3,063	-
Total U.S. Department of Agriculture				(125,243)	3,686,644	6,067	3,567,468	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2021-666307-DPI-TIA-141	(243,296)	243,296	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2022-666307-DPI-TIA-141	-	299,162	249,569	548,731	-
Total Title I Grants to Local Educational Agencies				(243,296)	542,458	249,569	548,731	-
Special Education Cluster (IDEA)								
Special Education Grants to States	84.027	WI DPI	2021-666307-DPI-FLOW-341	(330,104)	330,104	-	-	-
Special Education Grants to States	84.027	WI DPI	2022-666307-DPI-FLOW-FT-341	-	502,993	756,315	1,259,308	-
COVID-19: Special Education Grants to States	84.027	WI DPI	2022-666307-DPI-FLOW-FT-341	-	327,137	-	327,137	-
Special Education Preschool Grants	84.173	WI DPI	2021-666307-DPI-PRESCH-347	(7,903)	7,903	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2022-666307-DPI-PRESCH-347	-	19,228	-	19,228	-
COVID-19: Special Education Preschool Grants	84.173	WI DPI	2022-666307-DPI-PRESCH-347	-	4,083	22,829	26,912	-
Total Special Education Cluster (IDEA)				(338,007)	1,191,448	779,144	1,632,585	-
Career and Technical Education - Basic Grants to States	84.048	CESA #6	2022-666307-DPI-CTE-400	-	29,020	-	29,020	-
English Language Acquisition State Grants	84.365	WI DPI	2021-666307-DPI-TIIIA-391	(6,302)	6,302	-	-	-
English Language Acquisition State Grants	84.365	WI DPI	2022-666307-DPI-TIIIA-391	-	9,503	2,353	11,856	-
Total English Language Acquisition State Grants				(6,302)	15,805	2,353	11,856	-

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

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

Grantor Agency/Federal Program Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/21	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/22	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF EDUCATION (continued)</b>								
Improving Teacher Quality State Grants	84.367	WI DPI	2021-666307-DPI-TIIA-365	\$ (53,651)	\$ 53,651	\$ -	-	\$ -
Improving Teacher Quality State Grants	84.367	WI DPI	2022-666307-DPI-TIIA-365	-	88,183	47,319	135,502	-
Total Title I Grants to Local Educational Agencies				<u>(53,651)</u>	<u>141,834</u>	<u>47,319</u>	<u>135,502</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424	WI DPI	2021-666307-DPI-TIV-A-381	(35,186)	35,186	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2022-666307-DPI-TIVA-381	-	2,883	13,590	16,473	-
Total Student Support and Academic Enrichment Program				<u>(35,186)</u>	<u>38,069</u>	<u>13,590</u>	<u>16,473</u>	<u>-</u>
COVID 19: Elementary and Secondary School Emergency Relief I	84.425D	WI DPI	2021-666307-ESSERF-160	(39,222)	39,222	242,405	242,405	-
COVID 19: Elementary and Secondary School Emergency Relief III	84.425U	WI DPI	2022-666307-DPI-ESSERFIII-165	-	-	284,339	284,339	-
Total Elementary and Secondary School Emergency Relief				<u>(39,222)</u>	<u>39,222</u>	<u>526,744</u>	<u>526,744</u>	<u>-</u>
Total U.S. Department of Education				(715,664)	1,997,856	1,618,719	2,900,911	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
COVID-19 Child Care Counts Program: Stabilization Payment Program	93.575	WI DCF	N/A	-	56,855	(24,979)	31,876	-
Head Start Cluster								
Head Start	93.600	Direct Program	N/A	(13,716)	1,060,888	337,282	1,384,454	-
COVID 19: Head Start CARES Act	93.600	Direct Program	N/A	-	48,200	-	48,200	-
Total Head Start Cluster				<u>(13,716)</u>	<u>1,109,088</u>	<u>337,282</u>	<u>1,432,654</u>	<u>-</u>
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44202700	(31,276)	791,197	95	760,016	-
Total U.S. Department of Health and Human Services				<u>(44,992)</u>	<u>1,957,140</u>	<u>312,398</u>	<u>2,224,546</u>	<u>-</u>
Total Federal Awards				<u>\$ (885,899)</u>	<u>\$ 7,641,640</u>	<u>\$ 1,937,184</u>	<u>\$ 8,692,925</u>	<u>\$ -</u>

Reconciliation to the Basic Financial Statements:	
Federal Sources	\$ 9,587,152
Federal Awards Included in Intermediate Sources	29,020
Less: Federal Awards Not Shown on SEFA	
Governor's Coronavirus Relief Funds	(830,657)
Get Kids Ahead	(92,590)
Total Federal Awards	<u>\$ 8,692,925</u>

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

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED JUNE 30, 2022**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/21	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/22	Total Expenditures	Subrecipient Payments
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>								
Special Education and School Age Parents	255.101	Direct Program	666307-100	\$ -	\$ 3,138,284	\$ -	\$ 3,138,284	\$ -
Special Education and School Age Parents	255.101	CESA #1	N/A	-	1,596	592	2,188	-
Total Special Education and School Age Parents				-	3,139,880	592	3,140,472	-
State School Lunch Aid	255.102	Direct Program	666307-107	-	80,447	-	80,447	-
Common School Fund Library Aid	255.103	Direct Program	666307-104	-	329,266	-	329,266	-
General Transportation Aid	255.107	Direct Program	666307-102	-	141,806	-	141,806	-
Equalization Aids	255.201	Direct Program	666307-116	(462,519)	30,141,737	-	29,679,218	-
High Cost Special Education Aid	255.210	Direct Program	666307-119	-	27,768	-	27,768	-
Head Start Supplement	255.327	Direct Program	666307-145	(61,846)	140,476	32,697	111,327	-
State School Breakfast Aid	255.344	Direct Program	666307-108	-	19,513	-	19,513	-
Tuition Payments by State	255.401	Direct Program	666307-157	-	305,457	-	305,457	-
Early College Credit	255.445	Direct Program	666307-178	-	5,711	-	5,711	-
Educator Effective Evaluation System	255.940	Direct Program	666307-154	-	40,640	-	40,640	-
Per Pupil Aid	255.945	Direct Program	666307-113	-	4,608,562	-	4,608,562	-
Assessments of Reading Readiness	255.956	Direct Program	666307-166	-	8,006	-	8,006	-
Robotics Lead Participation Grants	255.959	Direct Program	666307-167	-	47,821	-	47,821	-
Total Wisconsin Department of Public Instruction				(524,365)	39,037,090	33,289	38,546,014	-
<b>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</b>								
Technical Education Equipment Grant Program	445.109	Direct Program	EF214AM10012	-	-	6,700	6,700	-
Total Wisconsin Department of Workforce Development				-	-	6,700	6,700	-
Total State Programs				\$ (524,365)	\$ 39,037,090	\$ 39,989	\$ 38,552,714	\$ -

Reconciliation to the Basic Financial Statements:

State Sources	\$ 38,844,794
Less: State Sources not Considered State Financial Assistance	
State Tax Computer Aid	(271,040)
Payments in Lieu of Taxes	(22,604)
Other Revenue not Included in Above Schedule	(624)
Add: Intermediate Aid	2,188
Total State Awards	<u>\$ 38,552,714</u>

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

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal and state awards for the West Bend Joint School District #1 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 or changes in net position.

**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 2022 fund financial statements. 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 2021 - 2022 eligible costs under the State Special Education Program as reported by the District are \$11,501,165. 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.

**NOTE 5 OVERSIGHT AGENCIES**

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

Federal – U.S. Department of Health and Human Services  
State – Wisconsin Department of Public Instruction

**WEST BEND JOINT SCHOOL DISTRICT #1**  
**WEST BEND, WISCONSIN**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 6 DONATED SERVICES**

The District receives an undeterminable amount of donated services from a variety of unpaid volunteers assisting the Head Start program. Therefore, no amounts have been recorded in the schedule of expenditures of federal awards.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

---

***Section I – Summary of Auditors’ Results***

---

***Financial Statements***

- |  |               |                             |
|--|---------------|-----------------------------|
| 1. Type of auditors’ report issued:                      | Unmodified    |                             |
| 2. Internal control over financial reporting:            |               |                             |
| • Material weakness(es) identified?                      | _____ x _____ | yes                      no |
| • Significant deficiency(ies) identified?                | _____ yes     | _____ x _____ none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes     | _____ x _____ no            |

***Federal and State Awards***

- |  |            |                             |
|--|------------|-----------------------------|
| 1. Internal control over major federal programs:   |            |                             |
| • Material weakness(es) identified?  | _____ yes  | _____ x _____ no            |
| • Significant deficiency(ies) identified?  | _____ yes  | _____ x _____ none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs:   | Unmodified |                             |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                          | _____ yes  | _____ x _____ no            |
| 4. Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | _____ yes  | _____ x _____ no            |



**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

---

***Section II – Financial Statement Findings***

---

**2022 – 001: Preparation of Financial Statements**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require specific governmental experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the District's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the District had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

**Criteria or specific requirement:** The preparation and review of the annual financial report by staff with expertise in governmental financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.

**Effect:** Historically, without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**Cause:** Historically District management had determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweighed the derived benefits.

**Repeat finding:** Repeat of Finding 2021-001

**Recommendation:** We recommend that the District continue to review the annual financial report prior to issuance. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the District's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the finding. Management will continue to have appropriate staff review and approve draft financial statements prior to issuance.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

---

***Section II – Financial Statement Findings (Continued)***

---

**2022 – 002: Adjustment to the District’s Financial Statements**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** As part of our audit, we proposed a prior period adjustment to properly record the supplemental pension plan liability.

**Criteria or specific requirement:** Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

**Effect:** Year-end financial records prepared by the District may contain misstatements.

**Cause:** While District staff maintains financial records which accurately report revenues and expenditures throughout the year, CLA did identify and propose a material year-end Governmental Accounting Standards Board Statement No. 34 (GASB 34) conversion entry related to the District’s supplemental pension plan liability.

**Repeat finding:** No.

**Recommendation:** We recommend that the District continue reviewing the adjusting, closing and GASB 34 conversion entries. A thorough review of this information by appropriate staff of the District is necessary to obtain an adequate understanding of the District’s financial report.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the finding. Management will continue to have appropriate staff review and approve a draft of the financial statements prior to issuance.

---

***Section III – Major Federal and State Programs***

---

There are no findings related to the Federal and State Award schedule required to be reported under the Uniform Grant Guidance and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended June 30, 2022.

**WEST BEND JOINT SCHOOL DISTRICT #1  
WEST BEND, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

---

*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 <i>the State Single Audit Guidelines</i> : |     |
| Department of Health Services   | Yes |
| Department of Public Instruction  | Yes |
| Department of Workforce Development   | Yes |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?   | No  |

- |                                    |  |
|------------------------------------|--|
| 4. Name and signature of principal | <br><u>Bryan F. Grunewald, CPA</u> |
| 5. Date of report                  | December 9, 2022   |



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.