

SCHOOL DISTRICT OF FORT
ATKINSON, WISCONSIN

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 27, 2021

Members of the Board of Education
School District of Fort Atkinson
Fort Atkinson, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Fort Atkinson, Wisconsin's basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

June 30, 2021

The discussion and analysis of School District of Fort Atkinson's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

- Total District assets plus deferred outflows exceeded its liabilities plus deferred inflows at June 30, 2021 by \$25,477,433. Of this amount, \$5,445,694 was unrestricted net position.
- The District's net position increased by \$3,177,334. This represents a 14.2% increase from June 30, 2020.
- The District's combined fund balances at June 30, 2021 were \$16,360,086, an increase from the prior year of \$2,823,579.
- Revenues for the year were \$45,286,493, as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances. Property tax revenues were 40.0% of the total revenues of the District. Expenditures for the year were \$45,664,322. Instruction and support services were 86.3% of the total expenditures.
- The District has \$21,514,557 in capital assets and \$5,145,000 outstanding long-term debt.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

June 30, 2021

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

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

The District adopts an annual appropriated budget for all of the governmental funds, except the capital projects fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

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

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

June 30, 2021

USING THIS ANNUAL REPORT - Continued

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$25,477,433.

	Net Position	
	2021	2020
Current Assets	\$ 20,514,039	21,672,090
Capital Assets	21,514,557	22,899,298
Other Assets	7,926,767	—
Total Assets	49,955,363	44,571,388
Deferred Outflows	13,789,424	18,829,507
Total Assets/Deferred Outflows	63,744,787	63,400,895
Long-Term Debt	11,610,285	13,983,912
Other Liabilities	8,193,695	4,769,666
Total Liabilities	19,803,980	18,753,578
Deferred Inflows	18,463,374	22,347,218
Total Liabilities/Deferred Inflows	38,267,354	41,100,796
Net Position		
Investment in Capital Assets	19,235,576	18,205,286
Restricted	796,163	3,558,474
Unrestricted (Deficit)	5,445,694	536,339
Total Net Position	25,477,433	22,300,099

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the District's net position, \$19,235,576, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$796,163, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$5,445,694, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 2,026,740	1,936,302
Operating Grants/Contributions	4,870,409	5,059,246
General Revenues		
Property Taxes	18,101,652	17,193,843
General State Aid	17,818,289	17,111,972
Other General Revenues	2,470,811	2,284,722
Total Revenues	45,287,901	43,586,085
Expenses		
Instruction	23,863,543	26,155,826
Support Services	14,763,376	16,765,053
Community Services	19,025	—
Nonprogram Transactions	3,284,782	18,784
Interest on Long-Term Debt	179,841	126,781
Total Expenses	42,110,567	43,066,444
Change in Net Position	3,177,334	519,641
Net Position - Beginning	22,300,099	21,780,458
Net Position - Ending	25,477,433	22,300,099

Net position of the District's governmental activities increased by \$3,177,334 (\$25,477,433 in 2021 compared to \$22,300,099 in 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$5,445,694 at June 30, 2021.

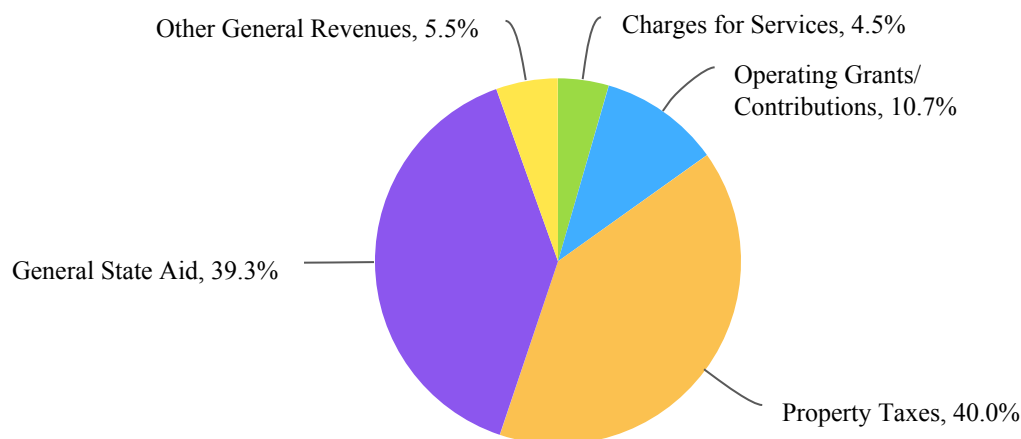
SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

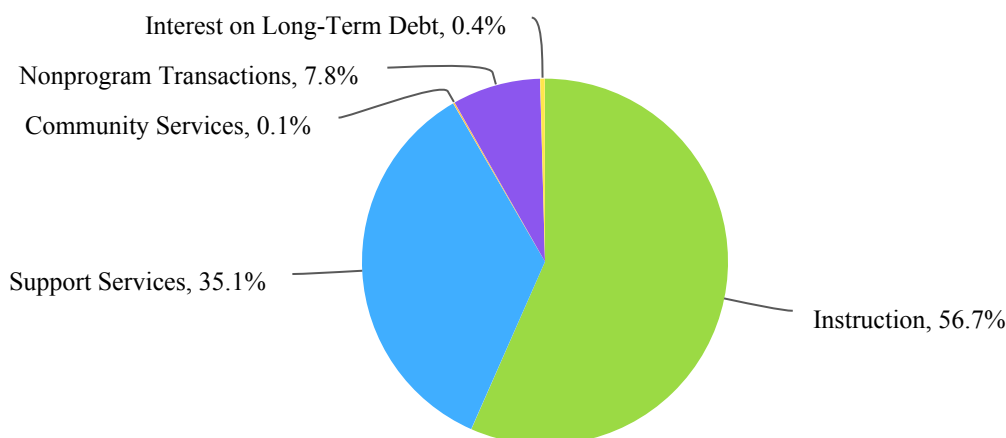
June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

District-Wide Revenues by Source



District-Wide Expenses by Function



Revenues for governmental activities totaled \$45,287,901, while the cost of all governmental functions totaled \$42,110,567. This results in a surplus of \$3,177,334. In 2020, revenues of \$43,586,085 exceeded expenses of \$43,066,444, resulting in a surplus of \$519,641. Approximately half of the surplus (\$1,234,949) in 2021 was budgeted as a result of a new operational referendum in its first year. The remainder of the surplus was due in large part to reduced expenses as a result of a partial year closure during the COVID-19 pandemic, totaling \$680,691.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

June 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The District's governmental funds reported combining ending fund balances of \$16,360,086, which is an increase of \$2,823,579, or 20.9%, from last year's total of \$13,536,507. Of the \$16,360,086 total, \$12,345,224, or 75.5%, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the District. During the current fiscal year, the General Fund saw an increase in fund balance of \$2,692,366. The change is part of the District's long-term budget plan during the current three-year operational referendum (2020-2023). The District purposefully planned to have a surplus in the first year to assist in offsetting planned deficits in future years of the referendum. June 30, 2021 was planned to have a larger surplus as the first year of the operational referendum where the referendum amount is static for each of the three years. In addition, due to a partial year closure as a result of the COVID-19 pandemic there were certain costs that were not expended such as transportation costs, wages, and benefits.

The Capital Projects fund reported an increase in fund balance of \$2,876,530, resulting in an ending fund balance of \$2,876,530. The increase in fund balance can be attributed to the debt issuance of \$3,200,000. The fund balance will be used on capital projects during the June 30, 2022 fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the General and Special Education Funds. The General Fund's budgeted revenues were higher than actual revenues of \$43,652,044 by \$122,944. Actual expenditures of \$40,961,086 were lower than budgeted expenditures of \$42,540,050 by \$1,578,964. The District finished the year better than originally budgeted due to some unspent budgetary funds as a result of the COVID-19 pandemic.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Management's Discussion and Analysis

June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021 was \$21,514,557 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, and vehicles, furniture and equipment.

	Capital Assets - Net of Depreciation	
	2021	2020
Land	\$ 1,100,998	1,100,998
Buildings	19,912,761	21,215,511
Vehicles, Furniture and Equipment	500,798	582,789
Total	<u>21,514,557</u>	<u>22,899,298</u>

This year's major additions included:

Buildings	\$ 42,480
Vehicles, Furniture and Equipment	<u>21,592</u>
	<u>64,072</u>

Additional information on the District's capital assets can be found in note 3 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At June 30, 2021, the District had \$5,145,000 in outstanding debt, an increase of \$465,000 from fiscal year 2020. Debt of the District is secured by a tax levy adopted by the school board at the time of issuance. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments.

	Long-Term Debt Outstanding	
	2021	2020
General Obligation Bonds	\$ 1,945,000	4,680,000
Note Anticipation Notes	<u>3,200,000</u>	<u>—</u>
Total	<u>5,145,000</u>	<u>4,680,000</u>

Additional information on the District's long-term debt can be found in note 3 of this report.

Management's Discussion and Analysis

June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

- As of the writing of this report the District has not yet fully planned the use of all of the ESSER federal COVID relief funds. There is at least \$2M that has not yet been allocated towards any expenses. Given the longer timeframe than originally thought that the COVID pandemic is impacting school operations, the district is taking careful steps to ensure that these one-time funds are used strategically during the timeframe that they are available. One facet of this strategic approach is to gather as much information about current and future conditions affecting the district including pupil count, state budgetary impacts, student learning needs, etc. and utilizing these funds accordingly to meet our community's needs.
- In Wisconsin wage increases for public school employees are largely tied to the consumer price index (CPI) increase for the preceding year. As of the writing of this report, inflationary pressures have pushed that CPI towards 4%. However, as outlined in the following bullet, the state biennial budget is not allowing any new revenue for public schools. As a result, expenses may increase at a rate that is faster than allowable revenue increases.
- The recent state biennial budget for the 2021-23 fiscal years will have a large impact on the operations of the District over the next two years. Contained within that state budget was no allowable increase in revenue limit per pupil amounts or per pupil aid amounts. As a result, any operational increases in expenses for the next two years will need to be offset through other means. Along with no increase in allowable revenue there was a large increase in state aid which, coupled with no increase under the state imposed revenue limit, results in property tax relief as opposed to additional school funding.
- The District recently completed a facilities study and community advisement process to develop a long-range facilities plan. The first phase of this plan is currently underway through upgrades and energy efficiency measures being implemented at Fort Atkinson High School. The second phase that is currently being further explored is the possibility of locating a new middle school adjacent to the high school on property owned by the district. Along with this middle school there would be upgrades to each of the elementary schools to allow them to serve the community until the third phase can be implemented at some point in the future. The exploration of these facilities changes will likely result in a capital referendum within the next couple of fiscal years to carry out these replacements and upgrades.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

- Dr. Robert Abbott, District Superintendent at (920) 563-8707 or abbottr@fortschools.org
- Jason P. Demerath, Business Manager at (920) 563-7809 or demerathj@fortschools.org

Additional information about the District and its services can also be found on the District's website at <http://www.fortschools.org/>.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Statement of Net Position

June 30, 2021

See Following Page

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 14,206,488
Receivables - Net of Allowances	
Taxes	4,698,069
Accounts	1,732
Due from Other Governments	1,265,579
Prepays	312,180
Inventories	<u>29,991</u>
Total Current Assets	<u>20,514,039</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,100,998
Depreciable	53,147,853
Accumulated Depreciation	<u>(32,734,294)</u>
Total Noncurrent Assets	<u>21,514,557</u>
Other Assets	
Net Pension Asset - WRS	<u>7,926,767</u>
Total Noncurrent Assets	<u>29,441,324</u>
Total Assets	<u>49,955,363</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized Loss on Refunding	93,895
Deferred Items - OPEB	1,290,897
Deferred Items - WRS	<u>12,404,632</u>
Total Deferred Outflows of Resources	<u>13,789,424</u>
Total Assets and Deferred Outflows of Resources	<u>63,744,787</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 446,088
Accrued Payroll	3,539,336
Claims Payable	168,529
Accrued Interest Payable	18,729
Current Portion of Long-Term Debt	4,021,013
Total Current Liabilities	<u>8,193,695</u>
Noncurrent Liabilities	
Compensated Absences	344,050
Total OPEB Liability	9,951,831
General Obligation Bonds - Net	1,314,404
Total Noncurrent Liabilities	<u>11,610,285</u>
Total Liabilities	<u>19,803,980</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - OPEB	1,072,560
Deferred Items - WRS	17,390,814
Total Deferred Inflows of Resources	<u>18,463,374</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,267,354</u>
NET POSITION	
Investment in Capital Assets	19,235,576
Restricted	
Capital Projects	106
Nutrition Services	321,307
Community Services	64,132
Donor Restrictions	321,680
Debt Service	88,938
Unrestricted (Deficit)	<u>5,445,694</u>
Total Net Position	<u>25,477,433</u>

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Statement of Activities

For the Fiscal Year Ended June 30, 2021

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
	Expenses	for	Grants/	Governmental
		Services	Contributions	Activities
Governmental Activities				
Instruction	\$ 23,863,543	1,945,205	3,687,410	(18,230,928)
Support Services	14,763,376	72,651	1,182,999	(13,507,726)
Community Services	19,025	8,884	—	(10,141)
Nonprogram Transactions	3,284,782	—	—	(3,284,782)
Interest on Long-Term Debt	179,841	—	—	(179,841)
Total Governmental Activities	42,110,567	2,026,740	4,870,409	(35,213,418)
General Revenues				
Taxes				
Property Taxes				18,101,652
Federal and State - Unrestricted				
General State Aid				17,818,289
Other				2,188,878
Investment Income				21,180
Miscellaneous				260,753
				38,390,752
Change in Net Position				3,177,334
Net Position - Beginning				22,300,099
Net Position - Ending				25,477,433

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Balance Sheet - Governmental Funds****June 30, 2021**

	General	Capital Projects	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 10,543,597	2,876,634	786,257	14,206,488
Receivables - Net of Allowances				
Taxes	4,698,069	—	—	4,698,069
Accounts	476	—	1,256	1,732
Due from Other Governments	1,195,126	—	70,453	1,265,579
Prepays	311,448	—	732	312,180
Inventories	—	—	29,991	29,991
Total Assets	16,748,716	2,876,634	888,689	20,514,039
LIABILITIES				
Accounts Payable	426,261	—	19,827	446,088
Accrued Payroll	3,539,336	—	—	3,539,336
Claims Payable	126,447	—	42,082	168,529
Total Liabilities	4,092,044	—	61,909	4,153,953
FUND BALANCES				
Nonspendable	311,448	—	30,723	342,171
Restricted	—	2,876,634	796,057	3,672,691
Unassigned	12,345,224	—	—	12,345,224
Total Fund Balances	12,656,672	2,876,634	826,780	16,360,086
Total Liabilities, Deferred Inflows of Resources and Fund Balances	16,748,716	2,876,634	888,689	20,514,039

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2021

Total Governmental Fund Balances	\$ 16,360,086
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	21,514,557
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Deferred Outflows/Inflows of Resources related to the OPEB and retirement plans not reported in the funds.	
Deferred Items - OPEB	218,337
Deferred Items - WRS	(4,986,182)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(430,063)
Net OPEB Liability	(9,951,831)
Net Pension Liability/(Asset) - WRS	7,926,767
General Obligation Bonds - Net	(2,049,404)
Note Anticipation Note	(3,200,000)
Unamortized Loss on Refunding	93,895
Accrued Interest Payable	(18,729)

Net Position of Governmental Activities	<u>25,477,433</u>
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SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2021**

	General	Capital Projects	Nonmajor	Totals
Revenues				
Local Sources				
Taxes	\$ 18,061,050	—	40,602	18,101,652
Investment Income	16,582	110	4,488	21,180
Other	108,516	—	393,278	501,794
Interdistrict Payments within Wisconsin	1,499,565	—	12,972	1,512,537
Intermediate Sources	12,409	—	—	12,409
State Sources	22,217,324	—	21,336	22,238,660
Federal Sources	1,477,253	—	1,161,663	2,638,916
Other Revenues	259,345	—	—	259,345
Total Revenues	43,652,044	110	1,634,339	45,286,493
Expenditures				
Current				
Instruction	24,078,224	323,580	219,107	24,620,911
Support Services	13,641,986	—	1,167,665	14,809,651
Community Services	—	—	19,025	19,025
Nonprogram Transactions	3,240,401	—	44,381	3,284,782
Debt Service				
Principal Retirement	—	—	2,735,000	2,735,000
Interest and Fiscal Charges	475	—	194,478	194,953
Total Expenditures	40,961,086	323,580	4,379,656	45,664,322
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,690,958	(323,470)	(2,745,317)	(377,829)
Other Financing Sources (Uses)				
Disposal of Capital Assets	1,408	—	—	1,408
Debt Issuance	—	3,200,000	—	3,200,000
	1,408	3,200,000	—	3,201,408
Net Change in Fund Balances	2,692,366	2,876,530	(2,745,317)	2,823,579
Fund Balances - Beginning	9,964,306	104	3,572,097	13,536,507
Fund Balances - Ending	12,656,672	2,876,634	826,780	16,360,086

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,823,579
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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 Outlays	64,072
Depreciation Expense	(1,447,295)
Disposals - Cost	(19,917)
Disposals - Accumulated Depreciation	18,399

Changes in Deferred Items Related to OPEB and Pensions

Change in Deferred Items - OPEB	389,985
Change in Deferred Items - WRS	(1,514,926)

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(38,855)
Change in Net OPEB Liability	(458,332)
Change in Net Pension Liability - WRS	3,810,512
Issuance of Debt	(3,200,000)
Retirement of Long-Term Debt	2,735,000
Amortization on Bond Premium	34,801
Amortization of Loss on Refunding	(31,298)
Change in Accrued Interest Payable	11,609

Changes in Net Position of Governmental Activities	<u>3,177,334</u>
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SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2021

		Employee Benefit Trust
ASSETS		
Cash and Investments		\$ 734,630
NET POSITION		
Net Position Restricted for Employee Benefits		734,630

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

**Statement of Changes in Fiduciary Net Position - Custodial Fund
For the Fiscal Year Ended June 30, 2021**

	Employee Benefit Trust
Additions	
Contributions by External Parties	\$ 866,377
Deductions	
Other Post-Employment Benefits	806,240
Change in Fiduciary Net Position	60,137
Net Position Restricted for Employee Benefits	
Beginning	674,493
Ending	734,630

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Fort Atkinson (the “District”) operates as a common school district under Chapter 120 of the Wisconsin Statutes. The District is governed by a five member elected school board and is fiscally independent with taxing and borrowing powers. The District provides elementary, secondary, vocational, and special education services for 4-year-old kindergarten through grade 12.

The financial statements of School District of Fort Atkinson are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established under GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property taxes and interest income, etc.).

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 or segment.

The net costs (by function) are normally covered by general revenue (property taxes and interest income, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating and special education fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds. The District maintains four nonmajor special revenue funds.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Debt Service Funds are used to account for the financial resources to be used for the payment of general long-term debt principal, interest, and related costs. The Debt Service Fund is a nonmajor fund.

Capital Projects Fund is used to account for financial resources of the District to be used for capital expenditures related to buildings and sites. The Capital Projects Fund is a major fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Custodial Funds include the Employee Benefit Trust Fund, which is used to account for resources legally held in trust for the District's post-retirement health insurance benefits. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for the Funds, they are not local education agency funds.

The District's custodial fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus is used.

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All retirement trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Employee Benefit Trust fund equity is classified as net position.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenue available if they are collected within 60 days after year-end except for state aid. State aid received after 60 days are being considered as available as historically, state aid collected within 60 days have represented all state aid expected to be collected.

Property taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

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 in the governmental funds since it is believed that the amount of such allowance would not be material to the financial statements.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	50 Years
Vehicles, Furniture and Equipment	5 - 20 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

Sick leave benefits are reflected as expenses when paid. Unused sick leave days vest only upon, retirement, death, or permanent disability and are accounted for as retirement income. Employees vest if they are at least 62 years of age and have fifteen years of service.

All vacation and sick pay is accrued when incurred in the District-wide financial statements. For governmental fund financial statements, the unpaid vested employee benefits are not expected to be paid using expendable available resources; therefore, the liability is not reported.

Long-Term Obligations

In the government-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 using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "investment in capital assets."

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. The budgeted amounts presented include amendments adopted during the year. Transfers between functions and changes to the overall budget must be approved and amended by a resolution from the Board of Education. Appropriations lapse at year-end unless specifically carried over. The District did not budget for the Capital Projects Fund.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Special Revenue	\$ 62,563
Debt Service	483,929

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District's cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District may invest available cash balances, other than debt services funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States, and the local governmental investment pool.

The District is limited to investments authorized by Wisconsin State Statute 66.0603 including the following:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in the state if the time deposits mature in not more than three years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board, or other instrumentality of the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state, as well as bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, the University of Wisconsin Hospitals and Clinics Authority, a local cultural arts district, or the Wisconsin Aerospace Authority.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
5. Securities of an open-end management investment company or investment trust, with certain limitations:
 - a. Bonds or securities issued under the authority of the municipality;
 - b. The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes; the state of Wisconsin local government investment fund (LGIP)
 - c. Agreements in which a public depository agrees to repay funds advanced to it by the District, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
 - d. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
 - e. Repurchase agreements with public depositories, with certain conditions.

The District has adopted an investment policy which permits all investments authorized under state statutes as described above.

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$14,206,488 and the bank balances totaled \$14,380,864.

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have an investment policy that addresses credit risk

Concentration Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy that addresses concentration risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of investments that are in the possession of another party. The District does not have a custodial credit risk policy for investments.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

PROPERTY TAXES

Property taxes are recognized as revenues in the year for which they are budgeted. Under the Wisconsin Statutes, each County in the District's taxing jurisdiction purchases the outstanding property taxes of the District in August of each year. The statutory guarantee assures the District full collection of all property taxes within sixty days of its year-end, and hence, the availability of these funds to finance expenditures of the fiscal year for which the taxes were levied. Property taxes are levied in November on the assessed value as of the prior January 1, and are due in full by January 31, or in installments with the last payment due in July.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Special Education Accounts - General	General Accounts - General	\$ 4,825,917

The transfers from the General Fund to the Special Education Fund were made to cover the current year operating deficits.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,100,998	—	—	1,100,998
Depreciable Capital Assets				
Buildings	51,150,139	42,480	—	51,192,619
Vehicles, Furniture and Equipment	1,953,559	21,592	19,917	1,955,234
	53,103,698	64,072	19,917	53,147,853
Less Accumulated Depreciation				
Buildings	29,934,628	1,345,230	—	31,279,858
Vehicles, Furniture and Equipment	1,370,770	102,065	18,399	1,454,436
	31,305,398	1,447,295	18,399	32,734,294
Total Net Depreciable Capital Assets	21,798,300	(1,383,223)	1,518	20,413,559
Total Net Capital Assets	22,899,298	(1,383,223)	1,518	21,514,557

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,435,298
Administrative Services	216
Operation and Maintenance of Plant	9,130
Food Services	2,651
	<u>1,447,295</u>

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT****General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2015 - Due in annual installment of \$90,000 to \$815,000 plus interest at 2.00% to 4.15% through February 1, 2024.	\$ 4,680,000	—	2,015,000 * 720,000	1,945,000

*Refunded

Note Anticipation Notes

The District issues note anticipation notes to provide funds for the acquisition and construction of major capital facilities. Note anticipation notes are direct obligations and pledge the full faith and credit of the District. Note anticipation notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Note Anticipation Notes of 2021 - Due in one installment of \$3,200,000 plus interest at 0.40% through December 10, 2021.	\$ —	3,200,000	—	3,200,000

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 391,208	77,710	38,855	430,063	86,013
Net OPEB Liability	9,493,499	458,332	—	9,951,831	—
General Obligation Bonds	4,680,000	—	2,735,000	1,945,000	735,000
Unamortized Bond Premiums	139,205	—	34,801	104,404	—
Note Anticipation Notes	—	3,200,000	—	3,200,000	3,200,000
	<u>14,703,912</u>	<u>3,736,042</u>	<u>2,808,656</u>	<u>15,631,298</u>	<u>4,021,013</u>

Payments on the compensated absences, the net OPEB liabilities, and the net pension liabilities will generally be repaid from the General Accounts - General Fund. Payments on the general obligation bonds and the note anticipation notes are repaid by the Debt Service Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds		Note Anticipation Notes	
	Principal	Interest	Principal	Interest
2022	\$ 735,000	44,950	3,200,000	6,418
2023	755,000	30,250	—	—
2024	455,000	11,375	—	—
Totals	<u>1,945,000</u>	<u>86,575</u>	<u>3,200,000</u>	<u>6,418</u>

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Wisconsin State Statute 67.03 limits total general obligation indebtedness of the District to ten percent of the equalized value of taxable property within the District's jurisdiction. The legal debt limit, as of June 30, 2021 was as follows:

Assessed Valuation - 2020	<u>\$ 1,672,208,864</u>
Legal Debt Limit - 10% of Assessed Value	167,220,886
Amount of Debt Applicable to Limit	<u>1,945,000</u>
Legal Debt Margin	<u>165,275,886</u>

Defeased Debt

During the year ended June 30, 2021, the District defeased a portion of a General Obligation Bond using cash reserves. The District defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. The defeased principal payments totaled \$2,015,000 and the District did not reduce long-term debt or obtain an economic gain.

In prior years, the government defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased bonds of \$4,880,000 remain outstanding as of the date of this report.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

On October 1, 2015, the District established a self-funded dental benefit plan for its employees. The Plan administrator, Delta Dental, is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30, 2021.

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

The District has no stop loss coverage for dental care coverage of the Plan.

At June 30, 2021, the District has reported a liability of \$18,483, which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. This amount consists of claims reported on the District by the Plan administrator of \$0, claims reported to the Plan administrator, but not the District of \$9,242 and claims which were not yet reported to either the Plan administrator or the District of \$9,241. 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 2020 are as follows:

	6/30/2021	6/30/2020
Claims Payable - Beginning	\$ 26,539	26,557
Current Year Claims and Changes in Estimates	(8,056)	(18)
Claims Payable - Ending	18,483	26,539

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of resources that are neither restricted nor committed for which the District has stated intended use as established by the Board of Education. Under the District's adopted policy, the Board of Education may assign amounts for specific purposes at the recommendation of the Business Manager.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Capital Projects	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays/Inventories	\$ 311,448	—	30,723	342,171
Restricted				
Capital Projects	—	2,876,634	—	2,876,634
Nutrition Services	—	—	321,307	321,307
Community Services	—	—	64,132	64,132
Donor Restrictions	—	—	321,680	321,680
Debt Service	—	—	88,938	88,938
	—	2,876,634	796,057	3,672,691
Unassigned	12,345,224	—	—	12,345,224
Total Fund Balances	12,656,672	2,876,634	826,780	16,360,086

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 21,514,557
Plus:	
Unamortized Loss on Refunding	93,895
Unspent Bond Proceeds	2,876,528
Less: Capital Related Debt	
General Obligation Bonds	(1,945,000)
Unamortized Bond Premium	(104,404)
Note Anticipation Notes	<u>(3,200,000)</u>
	<u>19,235,576</u>

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

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

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

State and Federal Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowance, if any, would be immaterial.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin Statutes limit the amount of revenues that school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. The annual revenue increase from these sources is limited to an allowable per member increase which is determined by the legislature. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Plan Membership. As of June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	44
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>321</u>
Total	<u><u>365</u></u>

Employees hired after July 1, 2011 were not eligible to participate in the OPEB plan.

Contributions

There is no requirement for any employee or employer contributions for funding of the plan. The employer makes all contributions, and for the year ended June 30, 2020, the measurement date, the District contributed \$943,153 to the Employee Benefits Trust. For the year ended June 30, 2020, the District's average contribution rate was 5.37 percent of covered-employee payroll.

Net OPEB Liability

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

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Net OPEB Liability - Continued

Actuarial Assumptions. The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	2.25%
Healthcare Cost Trend Rates	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

The mortality projection assumption is based off of the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****OTHER POST-EMPLOYMENT BENEFITS - Continued****Change in the Net OPEB Liability**

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 10,102,934	609,435	9,493,499
Changes for the Year:			
Service Cost	575,497	—	575,497
Interest on the Total OPEB Liability	348,033	—	348,033
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience	297,661	—	297,661
Changes of Assumptions or Other Inputs	195,965	—	195,965
Contributions - Employer	—	943,153	(943,153)
Net Investment Income	—	16,147	(16,147)
Benefit Payments	(893,766)	(893,766)	—
Other Changes	—	(476)	476
Net Changes	523,390	65,058	458,332
Balance at June 30, 2021	10,626,324	674,493	9,951,831

Discount Rate

The discount rate used to measure the total pension liability was 2.25%, while the prior valuation used a discount rate of 3.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Discount contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The following presents the net OPEB liability, calculated using a Single Discount Rate of 2.25%, as well as what the net OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB Liability	\$	10,496,013	9,951,831	9,418,395

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the net OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

		1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Net OPEB Liability	\$	9,153,864	9,951,831	10,855,940

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,011,500. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 267,895	(428,714)	(160,819)
Change in Assumptions	285,377	(643,846)	(358,469)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	2,680	—	2,680
Total Expenses to be Recognized in Future Periods	555,952	(1,072,560)	(516,608)
Contributions Made Subsequent to Measurement Date	734,945	—	734,945
Total Deferred Amounts Related to OPEB	1,290,897	(1,072,560)	218,337

\$734,945 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (98,528)
2023	(98,852)
2024	(100,184)
2025	(98,472)
2026	(99,682)
Thereafter	(20,890)
Total	(516,608)

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM

Wisconsin Retirement System (WRS)

Plan Descriptions

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

ETF issued a standalone WRS Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) 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 years' earnings. 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.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	50.0%	(5.0%)
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	—%	(10.0%)
2020	1.7%	21.0%

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is onehalf 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.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

Contributions - Continued. During the reporting period, the WRS recognized \$1,407,823 contributions from the employer which equaled required contributions.

Contribution rates as of December 31, 2019 are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At June 30, 2021, the District reported an asset of \$7,926,767 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2019, and the total pension asset used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2019. 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, 2019, the District's proportion was 0.12696766%, which was a decrease of 0.00068969% from its proportion measured as of December 31, 2020.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

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

For the year ended June 30, 2021, the District recognized pension revenue of \$868,880. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 11,472,463	(2,471,148)	9,001,315
Changes of Assumptions	179,794	—	179,794
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(14,881,858)	(14,881,858)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12,086	(37,808)	
Total Pension Expense to be Recognized in Future Periods	11,664,343	(17,390,814)	(5,700,749)
Pension Contributions Made Subsequent to the Measurement Date	740,289	—	740,289
Total Deferred Amounts Related to Pensions	12,404,632	(17,390,814)	(4,960,460)

\$740,289 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ (1,477,671)
2023	(404,374)
2024	(2,699,038)
2025	(1,145,388)
2026	—
Thereafter	—
Total	(5,726,471)

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	7.00%
Discount Rate	7.00%
Salary Increases	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*	1.90%

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

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

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

Long-Term Expected Return on Plan Assets

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	80.0%
Inflation Sensitive Assets	16.0%	2.0%	(0.4)%
Real Estate	8.0%	5.6%	3.1%
Private Equities/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Total Core Fund	115.0%		
Variable Fund Asset Class			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0%	7.4%	4.9%
Total Variable Fund	100.0%		

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - Continued

Wisconsin Retirement System (WRS) - Continued

Single Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 7,545,183	(7,926,767)	(19,290,799)

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/aboutetf/reports-and-studies/financial-reports-and-statements>.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

On July 6, 2021, the District issued \$3,145,000 of General Obligation Refunding Bonds, Series 2021. The bonds bear interest at a rate of 2.00% - 3.00% and are due in annual installments from \$115,000 to \$190,000 through February 1, 2041.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Wisconsin Retirement System
- Schedule of Proportionate Share of the Net Pension Liability/(Asset)
Wisconsin Retirement System
- Schedule of the Employer OPEB Contributions
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Budgetary Comparison Schedules
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Except for the exclusion of on-behalf payments from other governments, the budgeted amounts are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Wisconsin Retirement System
Schedule of Employer Contributions
June 30, 2021**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,149,599	\$ 1,149,599	\$ —	\$ 16,582,130	6.93%
2016	1,149,585	1,149,585	—	17,478,676	6.58%
2017	1,172,584	1,172,584	—	17,656,935	6.64%
2018	1,280,324	1,280,324	—	18,876,945	6.78%
2019	1,305,358	1,305,358	—	20,093,130	6.50%
2020	1,357,087	1,357,087	—	21,067,631	6.44%
2021	1,407,823	1,407,823	—	20,856,769	6.75%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Wisconsin Retirement System

Schedule of Proportionate Share of Net Pension Liability/(Asset)

June 30, 2021

Plan Fiscal Year Ending	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset)/ Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2014	0.120025%	\$ (2,948,135)	\$ 16,422,849	(17.95%)	102.74%
2015	0.119409%	1,940,373	16,905,664	11.48%	98.20%
2016	0.119720%	986,780	17,776,360	5.55%	99.12%
2017	0.122952%	(3,650,602)	18,311,170	(19.94%)	102.93%
2018	0.125528%	4,465,905	19,460,303	22.95%	96.45%
2019	0.127657%	(4,116,255)	20,585,686	(20.00%)	102.96%
2020	0.126968%	(7,926,767)	20,856,769	(38.01%)	105.26%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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

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

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Schedule of the Employer OPEB Contributions

June 30, 2021

	2016	2017	2018	2019	2020
Actuarially Determined Contribution (ADC)	\$ 962,310	997,388	1,027,310	907,262	934,480
Contributions in Relation to ADC	1,087,680	912,153	910,796	677,418	943,153
Contribution Deficiency/(Excess)	(125,370)	85,235	116,514	229,844	(8,673)
The District's Covered Employee Payroll	15,538,550	15,538,550	19,756,148	19,756,148	17,563,677
Contributions as a Percentage of Covered-Employee Payroll	7.00%	5.87%	4.61%	3.43%	5.37%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Actuarial Assumptions:

Actuarial Cost Method	Entry Age Normal (level percent of salary)
Discount Rate	2.25%
Investment Rate of Return	7.50%
Medical Care Trend	7.50% decreasing by 0.50% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter.
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

**Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2021**

	2016
Total OPEB Liability	
Service Cost	\$ 610,961
Interest	330,889
Differences Between	
Expected and Actual Experience	—
Change of Assumptions or Other Inputs	—
Benefit Payments	(1,037,149)
Net Change in Total OPEB Liability	(95,299)
Total OPEB Liability - Beginning	11,242,731
Total OPEB Liability - Ending	11,147,432
Total Fiduciary Net Position	
Employer Contributions	1,087,680
Net Investment Income	6,758
Benefit Payments	(1,037,149)
Administrative Expense	—
Net Change in Fiduciary Net Position	57,289
Fiduciary Net Position - Beginning	368,825
Fiduciary Net Position - Ending	426,114
Net OPEB Liability - Ending	10,721,318
Fiduciary Net Position as a	
Percentage of the Net OPEB Liability	3.82%
Covered Payroll	\$ 15,538,550
Net OPEB Liability as a	
Percentage of Covered Payroll	69.00%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes of assumptions related to the discount rate were made in 2016 - 2020.

2017	2018	2019	2020
610,961	567,538	535,694	575,497
330,612	377,229	362,160	348,033
—	(612,449)	—	297,661
(297,534)	(683,640)	136,261	195,965
(865,058)	(864,430)	(641,842)	(893,766)
(221,019)	(1,215,752)	392,273	523,390
11,147,432	10,926,413	9,710,661	10,102,934
10,926,413	9,710,661	10,102,934	10,626,324
912,153	910,796	677,418	943,153
14,113	11,190	29,648	16,147
(865,058)	(864,430)	(641,842)	(893,766)
—	(667)	—	(476)
61,208	56,889	65,224	65,058
426,114	487,322	544,211	609,435
487,322	544,211	609,435	674,493
10,439,091	9,166,450	9,493,499	9,951,831
4.46%	5.60%	6.03%	6.35%
15,538,550	19,756,148	19,756,148	17,553,677
67.18%	46.40%	48.05%	56.69%

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Local Sources			
Taxes	\$ 18,061,050	18,061,050	18,061,050
Investment Income	10,000	10,000	16,582
Other	142,600	142,600	108,516
Interdistrict Payments within Wisconsin	1,588,262	1,590,962	1,499,565
Intermediate Sources	18,300	18,300	12,409
State Sources	22,357,090	22,387,589	22,217,324
Federal Sources	1,377,918	1,444,033	1,477,253
Other Revenues	120,454	120,454	259,345
Total Revenues	43,675,674	43,774,988	43,652,044
Expenditures			
Current			
Instruction			
Undifferentiated	5,272,983	5,290,864	5,273,781
Regular	9,528,781	9,514,171	9,401,338
Physical	1,004,514	1,009,738	999,433
Vocational	1,380,512	1,348,320	1,324,977
Special Education	6,181,688	6,213,387	5,762,998
Co-Curricular	360,811	364,627	341,036
Special Education	985,360	985,360	974,661
Support Services			
Pupils	2,298,142	2,340,376	2,244,348
Instructional Staff	2,174,347	2,213,801	2,077,579
General Administration	572,959	572,960	606,425
School Building Administration	1,812,331	1,828,015	1,790,273
Business Administration	5,524,264	5,449,693	5,063,824
Central Services	654,358	690,038	616,360
Insurance and Judgements	331,444	331,444	326,503
Other	938,704	1,001,428	916,674
Nonprogram Transactions	3,412,962	3,385,353	3,240,401
Debt Service			
Interest and Fiscal Charges	475	475	475
Total Expenditures	42,434,635	42,540,050	40,961,086

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,241,039	1,234,938	2,690,958
Other Financing Sources Disposal of Capital Assets	—	—	1,408
Net Change in Fund Balance	<u>1,241,039</u>	<u>1,234,938</u>	2,692,366
Fund Balances - Beginning			<u>9,964,306</u>
Fund Balances - Ending			<u><u>12,656,672</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund
- Budgetary Comparison Schedules - General Fund Accounts
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of non-trust revenues of which the expenditures are limited to specified purposes related to district operations. The most common source of such funds is gifts and donations. There may be a fund balance in this fund.

Special Education Fund

The Special Education Fund is used to account for the excess cost of providing special education and related services for students with disabilities during the regular school year or extended school year. Also included are charges for services provided to other districts as a result of being a host district for a special education package or cooperative program. School Age Parent costs are also charged to this fund. No fund balance or deficit can exist in this fund.

School Nutrition Services Fund

The School Nutrition Services Fund is used to account for all revenues and expenditures related to pupil and elderly food service activities are recorded in this fund. A fund balance in the School Nutrition Services Fund is permitted. There may be no deficit in the district's School Nutrition Services Fund.

Community Service Fund

The Community Service Fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Actual, additional expenditures for these activities, includes salaries, benefits, travel, purchased services, etc. are to be included in this fund to the extent feasible. The District may adopt a separate tax levy for this Fund.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS - Continued

Packaged Cooperative Fund

The Packaged Cooperative Fund is used to account for expenditures made by a host district for programs made available to other districts through a CESA. The CESA makes the packaged service available to school districts. The participating districts, including the host district will pay CESA for their share of the program. CESA payments to the host district are the only revenue recorded in this sub-fund and must equal expenditures. The CESA applies for any program related aid and handles any required aid distribution. No fund balance or deficit can exist in this fund.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

CUSTODIAL FUND

Employee OPEB Trust Fund

The Employee OPEB Trust Fund is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans, or employee benefit plans.

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**General Fund - by Accounts****Combining Balance Sheet****June 30, 2021**

	General Account	Special Education Accounts	Totals
ASSETS			
Cash and Investments	\$ 10,298,399	245,198	10,543,597
Receivables - Net of Allowances			
Taxes	4,698,069	—	4,698,069
Accounts	476	—	476
Due from Other Governments	739,714	455,412	1,195,126
Prepays	310,066	1,382	311,448
Total Assets	16,046,724	701,992	16,748,716
LIABILITIES			
Accounts Payable	335,630	90,631	426,261
Accrued Payroll	2,936,559	602,777	3,539,336
Claims Payable	117,863	8,584	126,447
Total Liabilities	3,390,052	701,992	4,092,044
FUND BALANCES			
Nonspendable	310,066	1,382	311,448
Unassigned	12,346,606	(1,382)	12,345,224
Total Fund Balances	12,656,672	—	12,656,672
Total Liabilities and Fund Balances	16,046,724	701,992	16,748,716

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

General Fund - by Accounts

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2021

	General Accounts	Special Education Accounts	Totals
Revenues			
Local Sources			
Taxes	\$ 18,061,050	—	18,061,050
Investment Income	16,582	—	16,582
Other	107,130	1,386	108,516
Interdistrict Payments within Wisconsin	1,499,565	—	1,499,565
Intermediate Sources	—	12,409	12,409
State Sources	20,208,462	2,008,862	22,217,324
Federal Sources	797,387	679,866	1,477,253
Other Revenues	259,345	—	259,345
Total Revenues	40,949,521	2,702,523	43,652,044
Expenditures			
Current			
Instruction			
Undifferentiated	5,273,781	—	5,273,781
Regular	9,401,338	—	9,401,338
Physical	999,433	—	999,433
Vocational	1,324,977	—	1,324,977
Special Education	—	5,762,998	5,762,998
Co-Curricular	341,036	—	341,036
Special Education	974,661	—	974,661
Support Services			
Pupils	1,544,551	699,797	2,244,348
Instructional Staff	1,835,924	241,655	2,077,579
General Administration	606,425	—	606,425
School Building Administration	1,790,273	—	1,790,273
Business Administration	4,663,163	400,661	5,063,824
Central Services	616,360	—	616,360
Insurance and Judgements	326,503	—	326,503
Other	916,674	—	916,674
Nonprogram Transactions	2,817,072	423,329	3,240,401
Debt Service			
Interest and Fiscal Charges	475	—	475
Total Expenditures	33,432,646	7,528,440	40,961,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,516,875	(4,825,917)	2,690,958

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**General Fund - by Accounts****Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**
For the Fiscal Year Ended June 30, 2021

	General Accounts	Special Education Accounts	Totals
Other Financing Sources (Uses)			
Disposal of Capital Assets	\$ 1,408	—	1,408
Transfers In (Out)	(4,825,917)	4,825,917	—
	(4,824,509)	4,825,917	1,408
Net Change in Fund Balance	2,692,366	—	2,692,366
Fund Balances - Beginning	9,964,306	—	9,964,306
Fund Balances - Ending	12,656,672	—	12,656,672

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

General Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Budget		Actual
	Original	Final	
Revenues			
Local Sources			
Taxes	\$ 18,061,050	18,061,050	18,061,050
Investment Income	10,000	10,000	16,582
Other	142,600	142,600	107,130
Interdistrict Payments within Wisconsin	1,588,262	1,590,962	1,499,565
State Sources	20,182,499	20,185,998	20,208,462
Federal Sources	750,483	771,298	797,387
Other Revenues	120,454	120,454	259,345
Total Revenues	40,855,348	40,882,362	40,949,521
Expenditures			
Current			
Instruction			
Undifferentiated	5,272,983	5,290,864	5,273,781
Regular Programs	9,528,781	9,514,171	9,401,338
Physical	1,004,514	1,009,738	999,433
Vocational	1,380,512	1,348,320	1,324,977
Co-Curricular	360,811	364,627	341,036
Special Education	985,360	985,360	974,661
Total Instruction	18,532,961	18,513,080	18,315,226
Support Services			
Pupils	1,560,015	1,561,519	1,544,551
Instructional Staff	1,926,466	1,965,919	1,835,924
General Administration	572,959	572,960	606,425
School Building Administration	1,812,331	1,828,015	1,790,273
Business Administration	5,142,287	5,067,716	4,663,163
Central Services	654,358	690,038	616,360
Insurance and Judgements	331,444	331,444	326,503
Other	938,704	1,001,428	916,674
Total Support Services	12,938,564	13,019,039	12,299,873
Nonprogram Transactions	2,834,706	2,807,097	2,817,072
Debt Service			
Interest and Fiscal Charges	475	475	475
Total Expenditures	34,306,706	34,339,691	33,432,646

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**General Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,548,642	6,542,671	7,516,875
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	1,408
Transfers Out	(5,307,603)	(5,307,733)	(4,825,917)
	(5,307,603)	(5,307,733)	(4,824,509)
Net Change in Fund Balance	1,241,039	1,234,938	2,692,366
Fund Balance - Beginning			9,964,306
Fund Balance - Ending			12,656,672

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Special Education Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Budget		
	Original	Final	Actual
Revenues			
Local Sources			
Other	\$ —	—	1,386
Intermediate Sources	18,300	18,300	12,409
State Sources	2,174,591	2,201,591	2,008,862
Federal Sources	627,435	672,735	679,866
Total Revenues	2,820,326	2,892,626	2,702,523
Expenditures			
Current			
Instruction			
Special Education	6,181,688	6,213,387	5,762,998
Support Services			
Pupils	738,127	778,857	699,797
Instructional Staff	247,881	247,882	241,655
Business Administration	381,977	381,977	400,661
Nonprogram Transactions	578,256	578,256	423,329
Total Expenditures	8,127,929	8,200,359	7,528,440
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,307,603)	(5,307,733)	(4,825,917)
Other Financing Sources			
Transfers In	5,307,733	5,307,733	4,825,917
Net Change in Fund Balance	130	—	—
Fund Balance - Beginning			—
Fund Balance - Ending			—

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Combining Balance Sheet - Nonmajor Funds

June 30, 2021

See Following Page

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Combining Balance Sheet - Nonmajor Funds

June 30, 2021

	<u>Special</u>
	<u>Special Revenue</u>
ASSETS	
Cash and Investments	\$ 324,607
Receivables - Net of Allowances	
Accounts	—
Due from Other Governments	—
Prepays	—
Inventories	—
	<u> </u>
Total Assets	<u>324,607</u>
LIABILITIES	
Accounts Payable	2,927
Claims Payable	—
Total Liabilities	<u>2,927</u>
FUND BALANCES	
Nonspendable	—
Restricted	321,680
	<u>321,680</u>
Total Liabilities and Fund Balances	<u>324,607</u>

Revenue				
School Nutrition Services	Community Services	Package Cooperative	Debt Service	Totals
316,732	64,132	(8,152)	88,938	786,257
1,256	—	—	—	1,256
62,301	—	8,152	—	70,453
732	—	—	—	732
29,991	—	—	—	29,991
411,012	64,132	—	88,938	888,689
16,900	—	—	—	19,827
42,082	—	—	—	42,082
58,982	—	—	—	61,909
30,723	—	—	—	30,723
321,307	64,132	—	88,938	796,057
352,030	64,132	—	88,938	826,780
411,012	64,132	—	88,938	888,689

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Funds
For the Fiscal Year Ended June 30, 2021**

	Special
	Special Revenue
Revenues	
Local	
Taxes	\$ —
Investment Income	6
Other	324,715
Interdistrict Payments	
within Wisconsin	—
State Sources	—
Federal Sources	—
Total Revenues	<u>324,721</u>
Expenditures	
Current	
Instruction	
Undifferentiated	253
Regular	6,305
Vocational	66,467
Co-Curricular	139,464
Special Education	461
Support Services	
Pupils	16,055
Instructional Staff	—
School Business Administration	22,948
Business Administration	1,667
Community Services	—
Nonprogram Transactions	44,381
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>298,001</u>
Net Change in Fund Balance	26,720
Fund Balances - Beginning	<u>294,960</u>
Fund Balances - Ending	<u><u>321,680</u></u>

Revenue				
School Nutrition Services	Community Services	Package Cooperative	Debt Service	Totals
—	—	—	40,602	40,602
—	—	—	4,482	4,488
59,679	8,884	—	—	393,278
—	—	12,972	—	12,972
21,336	—	—	—	21,336
1,161,663	—	—	—	1,161,663
1,242,678	8,884	12,972	45,084	1,634,339
—	—	—	—	253
—	—	—	—	6,305
—	—	6,157	—	72,624
—	—	—	—	139,464
—	—	—	—	461
—	—	—	—	16,055
—	—	6,815	—	6,815
1,120,180	—	—	—	1,143,128
—	—	—	—	1,667
—	19,025	—	—	19,025
—	—	—	—	44,381
—	—	—	2,735,000	2,735,000
—	—	—	194,478	194,478
1,120,180	19,025	12,972	2,929,478	4,379,656
122,498	(10,141)	—	(2,884,394)	(2,745,317)
229,532	74,273	—	2,973,332	3,572,097
352,030	64,132	—	88,938	826,780

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Special Revenue - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Local Sources			
Investment Income	\$ —	—	6
Other	236,952	236,952	324,715
Other Revenues	130,477	130,477	—
Total Revenues	367,429	367,429	324,721
Expenditures			
Instruction			
Undifferentiated	—	—	253
Regular	—	—	6,305
Vocational	—	—	66,467
Co-Curricular Activities	220,475	220,475	139,464
Special Education	—	—	461
Support Services			
Pupils	12,045	12,045	16,055
Instructional Staff Services	2,608	2,608	—
School Building Administration	—	—	22,948
Business Administration	—	—	1,667
Central Services	207	207	—
Nonprogram Transactions	103	103	44,381
Total Expenditures	235,438	235,438	298,001
Net Change in Fund Balance	131,991	131,991	26,720
Fund Balance - Beginning			294,960
Fund Balance - Ending			321,680

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**School Nutrition Services - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Local			
Other	\$ —	—	59,679
State Sources	—	—	21,336
Federal Sources	1,238,572	1,238,572	1,161,663
Total Revenues	1,238,572	1,238,572	1,242,678
Expenditures			
Support Services			
Business Administration	1,187,254	1,187,254	1,120,180
Net Change in Fund Balance	51,318	51,318	122,498
Fund Balance - Beginning			229,532
Fund Balance - Ending			352,030

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Community Service - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Budget		Actual
	Original	Final	
Revenues			
Local Sources			
Other	\$ 22,000	22,000	8,884
Expenditures			
Community Services	22,000	22,000	19,025
Net Change in Fund Balance	—	—	(10,141)
Fund Balance - Beginning			74,273
Fund Balance - Ending			64,132

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Packaged Cooperative - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Interdistrict Payments within Wisconsin	\$ 13,519	13,519	12,972
Expenditures			
Instruction			
Vocational	13,519	4,588	6,157
Support Services			
Instructional Staff Services	—	8,931	6,815
Total Expenditures	13,519	13,519	12,972
Net Change in Fund Balance	—	—	—
Fund Balance - Beginning			—
Fund Balance - Ending			—

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Local Sources			
Taxes	\$ 40,602	40,602	40,602
Investment Income	3,000	3,000	4,482
Total Revenues	43,602	43,602	45,084
Expenditures			
Debt Service			
Principal Retirement	2,335,373	2,335,373	2,735,000
Interest and Fiscal Charges	110,176	110,176	194,478
Total Expenditures	2,445,549	2,445,549	2,929,478
Net Change in Fund Balance	(2,401,947)	(2,401,947)	(2,884,394)
Fund Balance - Beginning			2,973,332
Fund Balance - Ending			88,938

SUPPLEMENTAL SCHEDULES

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015

June 30, 2021

Date of Issue	March 31, 2015
Date of Maturity	February 1, 2024
Authorized Issue	\$7,390,000
Interest Rates	2.00% to 4.15%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Associated Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 735,000	44,950	779,950
2023	755,000	30,250	785,250
2024	455,000	11,375	466,375
	1,945,000	86,575	2,031,575

SCHOOL DISTRICT OF FORT ATKINSON, WISCONSIN

Long-Term Debt Requirements

Note Anticipation Note of 2021

June 30, 2021

Date of Issue	June 10, 2021
Date of Maturity	December 10, 2021
Authorized Issue	\$3,200,000
Interest Rates	0.40%
Interest Dates	December 10
Principal Maturity Date	December 10
Payable at	First Citizens State Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 3,200,000	6,418	3,206,418