

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

TOMAH AREA SCHOOL DISTRICT
TOMAH, WISCONSIN

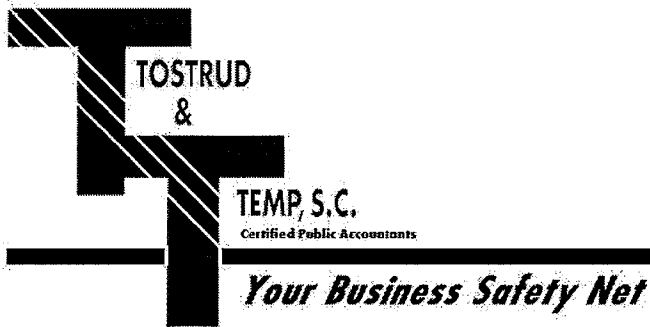
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Tomah Area School District
Tomah, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules identified in the Required Supplementary Information section 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 District's basic financial statements. The supplementary information identified in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the schedule of expenditures of state awards and other supplemental information listed in the table of contents, are presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining statements and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of expenditures of state awards, and other supporting schedules as listed in the table of contents 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, these schedules and statements 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 November 12, 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 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.

Trostred + Temp, S.C.

November 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

This discussion and analysis of the Tomah Area School District's financial information provides an overall review of financial activities for the fiscal year. The analysis focuses on School District financial performance as a whole. Revenue and expense comparisons to the prior fiscal year are used throughout this discussion and analysis letter. It should be read in conjunction with the Letter of Transmittal at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

Total governmental funds revenues were \$42,596,289; including \$13,020,095 of property taxes, \$24,563,461 of state aids and grants, and \$3,474,508 of federal grants. Total governmental fund expenditures were \$40,082,542, including \$22,349,724 for direct instruction. Other financing sources and uses included proceeds from sales of capital assets of \$50,500.

The District's total long-term liabilities decreased by \$3,676,626. The District has no outstanding general obligation bonds or notes payable at June 30, 2021. Post-retirement health care and other benefits increased by \$147,258 and the liability for sick and vacation payable decreased by \$135,076. The District's share of the Wisconsin Retirement System net pension liability decreased by \$3,688,808.

The District's financial status, as reflected by total net position, increased by \$5,876,388. Net position of governmental activities increased \$5,709,358, and business-type activities (Food Service Program) increased \$167,030 in net position for the current fiscal year.

Overview of the Financial Statements

The comprehensive annual financial report consists of three parts: management's discussion and analysis, basic financial statements including notes to the financial statements, and required and other supplementary information.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *Statement of Net Position* and *Statement of Activities* provide information on a District-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the District-wide statements.

The notes to the financial statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Required and other supplementary information further explains and supports the financial statements by including a comparison of the District's budget data and information on the District's pension and other post-employment benefits information for the year.

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

| | District Wide Statements | Fund Financial Statements | | |
|---|--|---|--|--|
| | | Governmental | Proprietary | Fiduciary |
| Scope | Entire District (except fiduciary funds). | The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services. | Activities the District operates similar to private business. The District's food service program is its only proprietary operation. | Assets held by the District on behalf of others. The District's OPEB trust funds are reported here. |
| Required financial statements | *Statement of net position *Statement of activities | * Balance sheet * Statement of revenues, expenditures and changes in fund balance | * Statement of net position * Statement of revenues, expenses and changes in net position * Statement of cash flows | * Statement of fiduciary net position * Statement of changes in fiduciary net position. |
| Basis of accounting and measurement focus | Accrual accounting Economic resources focus. | *Modified accrual accounting *Current financial resources focus | * Accrual accounting * Economic resources focus | * Accrual accounting * Economic resources focus |
| Type of asset, deferred outflows of resources and liability information | All assets, deferred outflows (inflows) of resources, and liabilities; both financial and capital, short-term and long-term. | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included. | All assets, deferred outflows of resources, liabilities and deferred inflows of resources; both financial and capital; short-term and long-term. | All assets, deferred outflows of resources, liabilities and deferred inflows of resources; both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, but can. |
| Type of inflow and outflow information | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities are due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. | All revenues or deductions during the year, regardless of when cash is received or paid. |

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Activities reports all revenues and expenses used to support District activities. The two District-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities should be considered. In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education instruction, transportation, support services, debt service, capital projects, community programs and administration. Property taxes and state equalization aid finance most of these activities.
- Business-type activities – Activities that are intended to be mostly self-supporting and meet certain accounting criteria are considered business-type activities. The District charges fees and receives federal and state reimbursements to cover the costs of its food service operation. The food service operation is the only activity that is considered a business-type activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as capital project funds).

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the District-wide statements.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Fund Financial Statements - Continued

- Proprietary fund – The food service fund, an activity for which the District charges a fee and for which revenues are expected to cover all expenses, is reported as a proprietary fund. Proprietary funds are reported in the same way as District-wide statements.
- Fiduciary funds – The District serves as a trustee, or fiduciary, for scholarship funds and employee benefit trust fund. The assets of these organizations and trust funds belong to the organization or trust and not to the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2021, compared to 2020. The District's total combined net position was \$31,396,182 at June 30, 2021, which is an increase of 25.01% over the prior year. The increase in net position is mostly due to conservative spending in the general fund, the capitalization of assets purchased in the general fund, the decrease in net pension liabilities offset by the increase in net OPEB obligations, and the restatement of net position to include scholarship funds.

| | Governmental Activities | | Business-Type Activities | | Total School District | | Total % Change |
|----------------------------------|-------------------------|-------------|--------------------------|-----------|-----------------------|-------------|----------------|
| | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | |
| Current assets | \$ 8,155.5 | \$ 11,273.1 | \$ 152.5 | \$ 294.5 | \$ 8,308.0 | \$ 11,567.6 | 39.23% |
| Capital and other assets | 29,560.0 | 33,834.7 | 347.2 | 427.9 | 29,907.2 | 34,262.6 | 14.56% |
| Total assets | 37,715.5 | 45,107.8 | 499.7 | 722.4 | 38,215.2 | 45,830.2 | 19.93% |
| Deferred outflow s of resources | 9,492.1 | 13,522.70 | 298.7 | 431.1 | 9,790.8 | 13,953.8 | 42.52% |
| Long-term debt outstanding | 7,617.4 | 7,623.6 | 207.6 | 213.5 | 7,825.0 | 7,837.1 | 0.15% |
| Other liabilities | 2,131.5 | 2,279.6 | 69.2 | 87.40 | 2,200.7 | 2,367.0 | 7.56% |
| Total liabilities | 9,748.9 | 9,903.2 | 276.8 | 300.9 | 10,025.7 | 10,204.1 | 1.78% |
| Deferred inflow s of resources | 12,478.1 | 17,632.1 | 387.7 | 551.6 | 12,865.8 | 18,183.7 | 41.33% |
| Net Position | | | | | | | |
| Net investment in capital assets | 25,709.4 | 26,406.0 | 228.1 | 198.1 | 25,937.5 | 26,604.1 | 2.57% |
| Restricted | - | 4,689.2 | - | 102.9 | - | 4,792.1 | 100.00% |
| Unrestricted | (728.8) | - | (94.2) | - | (823.0) | - | 100.00% |
| TOTAL NET POSITION | \$ 24,980.6 | \$ 31,095.2 | \$ 133.9 | \$ 301.0 | \$ 25,114.5 | \$ 31,396.2 | 25.01% |

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Financial Analysis of the District as a Whole – Continued

For the year ended June 30, 2021, the largest portion of the District's net position is its investment in capital assets of \$26,604,129 (e.g. land, buildings, and equipment, less depreciation and related outstanding debt used to acquire those assets). These assets are used to provide services to students and consequently are not available for future spending. Restricted net position for the District accounts for \$4,792,053 of total net position.

Table 2
Changes in Net Assets from Operating Results
(in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total School District | | Total % Change |
|-----------------------------------|-------------------------|-------------------|--------------------------|-----------------|-----------------------|-------------------|----------------|
| | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | \$ 125.1 | \$ 130.3 | \$ 483.6 | \$ 97.0 | \$ 608.7 | \$ 227.3 | -62.66% |
| Operating grants & contributions | 4,499.5 | 6,094.9 | 855.6 | 1,441.8 | 5,355.1 | 7,536.7 | 40.74% |
| Capital grants & contributions | - | - | - | - | - | - | 100.00% |
| General revenues | | | | | | | |
| Property and other taxes | 12,893.2 | 13,020.1 | - | - | 12,893.2 | 13,020.1 | 0.98% |
| State equalization aid | 18,944.0 | 19,854.3 | - | - | 18,944.0 | 19,854.3 | 4.81% |
| Gain on sale of fixed assets | 6.1 | 15.0 | - | - | 6.1 | 15.0 | 145.90% |
| Transfers in (out) | (92.9) | - | 92.9 | - | - | - | 0.00% |
| Other | 3,279.2 | 3,496.7 | 0.5 | 0.6 | 3,279.7 | 3,497.3 | 6.63% |
| Total revenues | 39,654.2 | 42,611.3 | 1,432.6 | 1,539.4 | 41,086.8 | 44,150.7 | 7.46% |
| Expenses | | | | | | | |
| Instruction | 22,646.3 | 21,281.4 | - | - | 22,646.3 | 21,281.4 | -6.03% |
| Pupil & instructional services | 3,379.7 | 3,321.7 | - | - | 3,379.7 | 3,321.7 | -1.72% |
| General & Building Administration | 2,114.2 | 2,094.1 | - | - | 2,114.2 | 2,094.1 | -0.95% |
| Business Administration | 6,838.5 | 7,041.0 | - | - | 6,838.5 | 7,041.0 | 2.96% |
| Central | 127.2 | 137.7 | - | - | 127.2 | 137.7 | 8.25% |
| Debt service | 17.6 | 9.0 | - | - | 17.6 | 9.0 | -48.86% |
| Insurance | 377.0 | 389.7 | - | - | 377.0 | 389.7 | 3.37% |
| Other | 2,368.0 | 2,627.3 | 1,431.9 | 1,372.4 | 3,799.9 | 3,999.7 | 5.26% |
| Total expenses | 37,868.5 | 36,901.9 | 1,431.9 | 1,372.4 | 39,300.4 | 38,274.3 | -2.61% |
| CHANGE IN NET POSITION | \$ 1,785.7 | \$ 5,709.4 | \$ 0.7 | \$ 167.0 | \$ 1,786.4 | \$ 5,876.4 | |

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Financial Analysis of the District as a Whole – Continued

Table 2 provides summarized operating results and their impact on net position. Governmental activities increased the financial position of the District by \$5,709,358 and business-type activities increased the District's financial position by \$167,030.

The District governmental activities revenues are primarily from property taxes (31%), unrestricted state and federal aids (55%) and operating grants and contributions (14%).

Table 3 presents the cost of the eight major District activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

| | Total Cost of Services | | Percentage Change | Net Cost of Services | | Percentage Change |
|-----------------------------------|------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| | 2019-2020 | 2020-2021 | | 2019-2020 | 2020-2021 | |
| Expenses | | | | | | |
| Instruction | \$ 22,646.35 | \$ 21,281.40 | -6% | \$ 19,865.91 | \$ 17,458.28 | -14% |
| Pupil & instructional services | 3,379.72 | 3,321.61 | -2% | 2,581.10 | 2,412.65 | -7% |
| General & Building Administration | 2,114.24 | 2,094.10 | -1% | 1,987.77 | 2,093.62 | 5% |
| Business Administration | 6,838.50 | 7,041.01 | 3% | 6,299.00 | 5,937.29 | -6% |
| Central | 127.18 | 137.75 | 8% | 112.84 | 122.11 | 8% |
| Principal & interest | 17.62 | 9.05 | -49% | 17.62 | 9.05 | -95% |
| Insurance | 376.98 | 389.74 | 3% | 332.35 | 388.44 | 14% |
| Other | 2,367.95 | 2,627.33 | 11% | 2,047.32 | 2,255.35 | 9% |
| TOTAL EXPENSES | \$ 37,868.54 | \$ 36,901.99 | | \$ 33,243.91 | \$ 30,676.79 | |

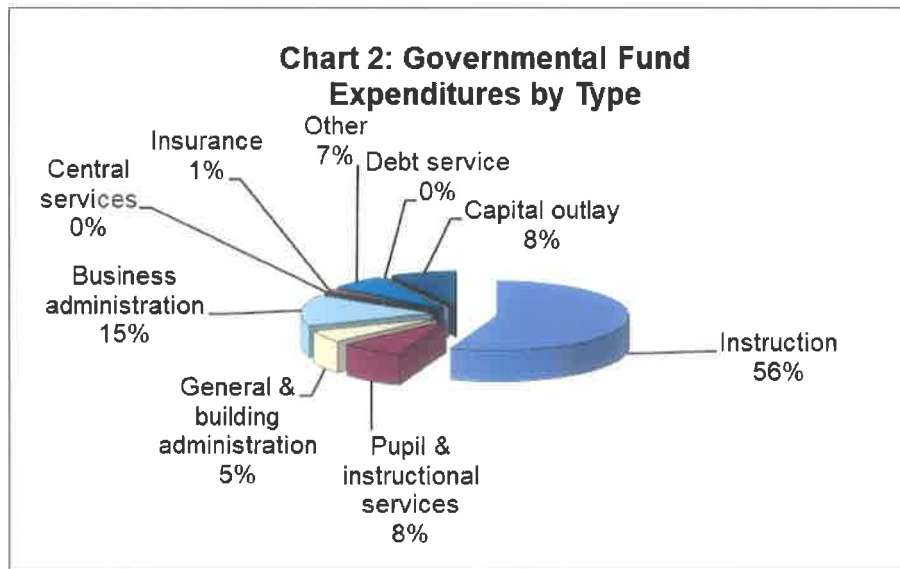
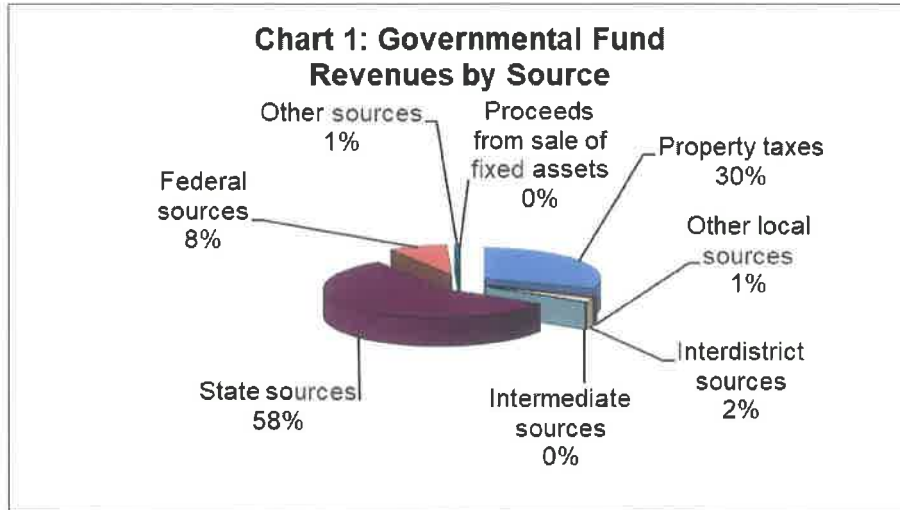
Note: Totals may not add due to rounding

The cost of all governmental activities this year was \$36,901,973. Individuals who directly participated or benefited from a program offering paid \$130,281 of costs. Federal and state governments and other revenues subsidized certain programs with grants and contributions of \$6,094,912. The net cost of governmental activities of \$30,676,780 was financed by general revenues of the District.

Tomah Area School District
Management's Discussion and Analysis
 Year ended June 30, 2021

Financial Analysis of the District's Governmental Fund Statements

The composition of governmental revenues by source are illustrated in Chart 1 below. Chart 2 details governmental expenditures by type.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were operating revenues of \$1,538,868 and interest income of \$582. Operating revenues were comprised of charges for services (6%), federal and state reimbursements (87%) and commodities (7%). Operating expenses were \$1,372,420. Major expenses include food purchases (51%) and labor/benefits (44%). All lunches and breakfasts were free to students for the current school year.

Tomah Area School District
Management's Discussion and Analysis
 Year ended June 30, 2021

Financial Aspect of the District's Fund Balance

The District completed the year with a total governmental fund balance, which excludes the food service program, of \$8,993,445. The fund balance increased \$2,564,247 from last year's ending funding balance of \$6,429,198 due to conservative spending in the general fund and reduced expenditures due to the COVID-19 Pandemic. The District was also able to transfer \$1,567,460 from the general fund to its capital improvement trust fund for future capital projects.

General Fund Budgetary Highlights

The District reviews an interim budget in May for the subsequent year (beginning July 1st). Consistent with current state statutes and regulations an *original* budget is adopted in October, following determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified. The District modified its original budget in 2021 to reflect:

- Reallocation of unspent salaries and benefits and other budget appropriations to several facility, technology and curriculum projects.
- Modifications in several state and federal grants.
- Reduced expenditures due to the COVID-19 Pandemic.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had invested \$58,217,040 in capital assets, including buildings, sites, library books, and equipment (See Table 4). Total accumulated depreciation on these assets equaled \$31,612,911. Asset acquisitions for governmental activities totaled \$3,263,223 and \$4,780 for the food service program. The District recognized depreciation expense of \$2,531,215 for governmental activities and \$34,767 for the food service program for the year ended June 30, 2021. Detailed information about capital assets can be found in Note 6 to the financial statements.

| Table 4 | | | | | | | |
|--|-------------------------|---------------------|--------------------------|------------------|-----------------------|---------------------|----------------|
| Capital Assets | | | | | | | |
| (net of depreciation, in thousands of dollars) | | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total School District | | Total % Change |
| | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 | |
| Land and site improvements | \$ 2,865.75 | \$ 3,109.72 | \$ - | \$ - | \$ 2,865.75 | \$ 3,109.72 | 8.51% |
| Buildings & building improvements | 34,328.17 | 35,328.66 | 65.75 | 65.75 | 34,393.92 | 35,394.41 | 2.91% |
| Equipment & furniture | 21,190.64 | 19,104.78 | 568.79 | 555.47 | 21,759.43 | 19,660.25 | -9.65% |
| Construction in process | - | 52.66 | - | - | - | 52.66 | 100.00% |
| Accumulated depreciation | (32,675.12) | (31,189.83) | (406.41) | (423.08) | (33,081.53) | (31,612.91) | -4.44% |
| TOTAL | \$ 25,709.44 | \$ 26,405.99 | \$ 228.13 | \$ 198.14 | \$ 25,937.57 | \$ 26,604.13 | |

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Long-Term Liabilities

At year-end, the District had no outstanding bonds or notes payable. The District had \$178,635 in net long-term liabilities – a net decrease of \$3,676,635 from July 1, 2020. This decrease is largely attributable to the decrease in the District's share of the Wisconsin Retirement System net pension liability. The District's share of the Wisconsin Retirement System net pension asset increased by \$3,688,808 in the current year.

| Table 5 | | | |
|--|--------------------|------------------|-------------------------------|
| Outstanding Long-Term Liabilities | | | |
| Total School District | | | |
| (in thousands of dollars) | | | |
| | <u>2019-2020</u> | <u>2020-2021</u> | Total Percentage Change |
| General obligation debt | \$ - | \$ - | 0.00% |
| Other | 3,855.26 | 178.64 | -2058.12% |
| TOTAL | <u>\$ 3,855.26</u> | <u>\$ 178.64</u> | -2058.12% |

General obligation debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated to the debt service fund for annual debt service payments.

Factors Bearing on the District's Future

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

- The actual impact of the future financial outlook at the local, state, and federal level.
- Funding of school related budgets and aids at the local, state and federal level.
- The continued need and reliance on referendums to supplement school budgets.
- The lack of allowable per student increases on the revenue limit on the 2021-22 and 2022-23 budgets.
- State aid allocations based on enrollments.
- Enrollment will continue to significantly impact District budgets going forward until enrollment levels off. Enrollment will either negatively or positively impact the District's Base Revenue and State Aid depending on whether enrollment increases or decreases in relation to District equalized values.
- Increases or decreases on federal grant dollars for Title I, Title IIA, IDEA, and Pre-School Grants.
- The ongoing impact of COVID-19 on the finances of the District.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2021

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Business Manager, (608) 374-7003 at the Tomah Area School District, 129 W. Clifton Street, Tomah, WI 54660.

FINANCIAL SECTION

Tomah Area School District
STATEMENT OF NET POSITION
June 30, 2021

| | Governmental Activities | Business- Type Activities | Total |
|---|----------------------------|---------------------------------|---------------|
| Assets | | | |
| Current assets | | | |
| Cash and investments | \$ 6,571,983 | \$ 190,913 | \$ 6,762,896 |
| Prepaid expenses | 38,844 | - | 38,844 |
| Receivables | | | |
| Taxes | 3,252,983 | - | 3,252,983 |
| Accounts | 1,704 | 497 | 2,201 |
| Due from other governments | 1,407,539 | 76,625 | 1,484,164 |
| Inventory | - | 26,458 | 26,458 |
| Total current assets | 11,273,053 | 294,493 | 11,567,546 |
| Noncurrent assets | | | |
| Capital assets | 57,595,817 | 621,223 | 58,217,040 |
| Less: accumulated depreciation | (31,189,831) | (423,080) | (31,612,911) |
| Total capital assets, net | 26,405,986 | 198,143 | 26,604,129 |
| Net pension asset - WRS | 7,428,746 | 229,754 | 7,658,500 |
| Total noncurrent assets | 33,834,732 | 427,897 | 34,262,629 |
| Total assets | 45,107,785 | 722,390 | 45,830,175 |
| Deferred outflows of resources | | | |
| OPEB | 1,800,916 | 68,528 | 1,869,444 |
| Pension plan - WRS | 11,721,796 | 362,531 | 12,084,327 |
| | 13,522,712 | 431,059 | 13,953,771 |
| Total assets and deferred outflows of resources | \$ 58,630,497 | \$ 1,153,449 | \$ 59,783,946 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | \$ 335,788 | \$ 15,362 | \$ 351,150 |
| Accrued liabilities | | | |
| Payroll, payroll taxes, and insurances | 1,943,820 | 10,928 | 1,954,748 |
| Unearned revenue | - | 61,116 | 61,116 |
| Total current liabilities | 2,279,608 | 87,406 | 2,367,014 |
| Noncurrent liabilities | | | |
| Noncurrent portion of long-term obligations | 7,623,640 | 213,495 | 7,837,135 |
| Total liabilities | 9,903,248 | 300,901 | 10,204,149 |
| Deferred inflows of resources | | | |
| OPEB | 1,357,392 | 48,211 | 1,405,603 |
| Pension plan - WRS | 16,274,671 | 503,341 | 16,778,012 |
| | 17,632,063 | 551,552 | 18,183,615 |
| Net position | | | |
| Investment in capital assets | 26,405,986 | 198,143 | 26,604,129 |
| Restricted | 4,689,200 | 102,853 | 4,792,053 |
| Unrestricted | - | - | - |
| Total net position | 31,095,186 | 300,996 | 31,396,182 |
| Total liabilities, deferred inflows of resources, and net position | \$ 58,630,497 | \$ 1,153,449 | \$ 59,783,946 |

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF ACTIVITIES
For the year ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|-------------------------|--|--|--|---------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Governmental activities | | | | | | | |
| Current | | | | | | | |
| Instruction | | | | | | | |
| Regular instruction | \$ 14,565,247 | \$ - | \$ 1,619,082 | \$ - | \$ (12,946,165) | \$ - | \$ (12,946,165) |
| Vocational instruction | 899,742 | 27,787 | 84,050 | - | (787,905) | - | (787,905) |
| Special education instruction | 4,319,832 | - | 1,877,814 | - | (2,442,018) | - | (2,442,018) |
| Other instruction | 1,496,576 | 25,195 | 189,190 | - | (1,282,191) | - | (1,282,191) |
| Total instruction | <u>21,281,397</u> | <u>52,982</u> | <u>3,770,136</u> | <u>-</u> | <u>(17,458,279)</u> | <u>-</u> | <u>(17,458,279)</u> |
| Support services | | | | | | | |
| Pupil services | 1,411,715 | - | 391,029 | - | (1,020,686) | - | (1,020,686) |
| Instructional staff services | 1,909,899 | 57,869 | 460,069 | - | (1,391,961) | - | (1,391,961) |
| General administration services | 443,272 | - | - | - | (443,272) | - | (443,272) |
| School administration services | 1,650,827 | - | 482 | - | (1,650,345) | - | (1,650,345) |
| Business administration services | 7,041,006 | 19,430 | 1,084,285 | - | (5,937,291) | - | (5,937,291) |
| Central services | 137,747 | - | 15,633 | - | (122,114) | - | (122,114) |
| Insurance | 389,737 | - | 1,300 | - | (388,437) | - | (388,437) |
| Other support services | 725,849 | - | 2,955 | - | (722,894) | - | (722,894) |
| Total support services | <u>13,710,052</u> | <u>77,299</u> | <u>1,955,753</u> | <u>-</u> | <u>(11,677,000)</u> | <u>-</u> | <u>(11,677,000)</u> |
| Non-program | | | | | | | |
| Other non-program | 1,901,479 | - | 369,023 | - | (1,532,456) | - | (1,532,456) |
| Total non-program | <u>1,901,479</u> | <u>-</u> | <u>369,023</u> | <u>-</u> | <u>(1,532,456)</u> | <u>-</u> | <u>(1,532,456)</u> |
| Debt service | | | | | | | |
| | 9,045 | - | - | - | (9,045) | - | (9,045) |
| Total governmental activities | 36,901,973 | 130,281 | 6,094,912 | - | (30,676,780) | - | (30,676,780) |
| Business-type activities | | | | | | | |
| School food service program | 1,372,420 | 97,034 | 1,441,834 | - | - | 166,448 | 166,448 |
| Total school district | <u>\$ 38,274,393</u> | <u>\$ 227,315</u> | <u>\$ 7,536,746</u> | <u>\$ -</u> | <u>(30,676,780)</u> | <u>166,448</u> | <u>(30,510,332)</u> |
| General revenues | | | | | | | |
| Property taxes | | | | | | | |
| General purposes | | | | | 12,983,396 | - | 12,983,396 |
| Mobile home taxes | | | | | 36,699 | - | 36,699 |
| State and federal aids not restricted to specific functions | | | | | | | |
| General | | | | | 19,854,267 | - | 19,854,267 |
| Other | | | | | 3,487,972 | - | 3,487,972 |
| Interest and investment earnings | | | | | 8,530 | 582 | 9,112 |
| Miscellaneous | | | | | 232 | - | 232 |
| Gain on sale of fixed assets | | | | | 15,042 | - | 15,042 |
| Total general revenues | | | | | <u>36,386,138</u> | <u>582</u> | <u>36,386,720</u> |
| Change in net position | | | | | | | |
| | | | | | 5,709,358 | 167,030 | 5,876,388 |
| Net position at July 1, 2020 - as restated | | | | | 25,385,828 | 133,966 | 25,519,794 |
| Net position at June 30, 2021 | | | | | <u>\$ 31,095,186</u> | <u>\$ 300,996</u> | <u>\$ 31,396,182</u> |

The accompanying notes are an integral part of this statement.

Tomah Area School District
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

| | General Fund | Special Revenue Trust Fund | Capital Improvement Trust Fund | Other Governmental Funds | Total |
|--|-----------------|----------------------------------|--------------------------------------|--------------------------------|---------------|
| Assets | | | | | |
| Cash and investments | \$ 5,167,382 | \$ 750,213 | \$ 564,487 | \$ 89,901 | \$ 6,571,983 |
| Prepaid expenses | 38,844 | - | - | - | 38,844 |
| Receivables | | | | | |
| Taxes | 3,252,983 | - | - | - | 3,252,983 |
| Accounts | 1,704 | - | - | - | 1,704 |
| Due from other funds | - | - | 1,567,460 | - | 1,567,460 |
| Due from other governments | 1,407,539 | - | - | - | 1,407,539 |
| Total assets | \$ 9,868,452 | \$ 750,213 | \$ 2,131,947 | \$ 89,901 | \$ 12,840,513 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 335,788 | \$ - | \$ - | \$ - | \$ 335,788 |
| Accrued liabilities | | | | | |
| Payroll, payroll taxes, insurance | 1,943,820 | - | - | - | 1,943,820 |
| Due to other funds | 1,567,460 | - | - | - | 1,567,460 |
| Total liabilities | 3,847,068 | - | - | - | 3,847,068 |
| Fund balances | | | | | |
| Nonspendable | 38,844 | 120,000 | - | - | 158,844 |
| Restricted | - | 630,213 | 2,131,947 | 89,901 | 2,852,061 |
| Unrestricted | | | | | |
| Unassigned | 5,982,540 | - | - | - | 5,982,540 |
| Total fund balances | 6,021,384 | 750,213 | 2,131,947 | 89,901 | 8,993,445 |
| Total liabilities and fund balances | \$ 9,868,452 | \$ 750,213 | \$ 2,131,947 | \$ 89,901 | \$ 12,840,513 |

The accompanying notes are an integral part of this statement.

Tomah Area School District
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Fund balance - governmental funds \$ 8,993,445

Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balances because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are as follows:

| | | |
|---------------------------------------|---------------------|------------|
| Governmental capital assets | \$ 57,595,817 | |
| Governmental accumulated depreciation | <u>(31,189,831)</u> | 26,405,986 |

Deferred outflows of resources represent consumption of net position that apply to future periods and therefore are not reported in the fund statements.

Deferred outflows of resources consist of:

| | | |
|--------------------|-------------------|------------|
| OPEB | 1,800,916 | |
| Pension plan - WRS | <u>11,721,796</u> | 13,522,712 |

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are as follows:

| | | |
|--------------------------------|--------------------|-----------|
| Net pension asset - WRS | 7,428,746 | |
| Vested employee benefits | (1,133,678) | |
| Other post-employment benefits | <u>(6,489,962)</u> | (194,894) |

Deferred inflows of resources are acquisitions of net position that are applicable to future reporting periods and therefore are not reported in the fund statements.

Deferred inflows of resources consist of:

| | | |
|--------------------|---------------------|---------------------|
| OPEB | (1,357,392) | |
| Pension plan - WRS | <u>(16,274,671)</u> | <u>(17,632,063)</u> |

| | | |
|---|--|------------------------------------|
| Total net position - governmental activities | | \$ <u><u>31,095,186</u></u> |
|---|--|------------------------------------|

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2021

| | General Fund | Special Revenue Trust Funds | Capital Improvement Trust Fund | Other Governmental Funds | Total |
|--|---------------------|-----------------------------------|--------------------------------------|--------------------------------|---------------------|
| Revenues | | | | | |
| Property taxes | \$ 13,020,095 | \$ - | \$ - | \$ - | \$ 13,020,095 |
| Other local sources | 154,409 | 309,582 | 1,047 | 334 | 465,372 |
| Interdistrict sources | 818,316 | - | - | - | 818,316 |
| Intermediate sources | 17,564 | - | - | - | 17,564 |
| State sources | 24,563,461 | - | - | - | 24,563,461 |
| Federal sources | 3,441,809 | - | - | 32,699 | 3,474,508 |
| Other sources | 236,973 | - | - | - | 236,973 |
| Total revenues | <u>42,252,627</u> | <u>309,582</u> | <u>1,047</u> | <u>33,033</u> | <u>42,596,289</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular instruction | 15,102,681 | 15,463 | - | - | 15,118,144 |
| Vocational instruction | 962,566 | - | - | - | 962,566 |
| Special instruction | 4,709,924 | - | - | - | 4,709,924 |
| Other instruction | 1,376,900 | 182,190 | - | - | 1,559,090 |
| Total instruction | <u>22,152,071</u> | <u>197,653</u> | <u>-</u> | <u>-</u> | <u>22,349,724</u> |
| Support services | | | | | |
| Pupil services | 1,499,717 | - | - | 32,699 | 1,532,416 |
| Instructional staff services | 1,599,534 | 8,241 | - | - | 1,607,775 |
| General administration services | 448,027 | - | - | - | 448,027 |
| Building administration services | 1,756,598 | 482 | - | - | 1,757,080 |
| Business administration services | 5,898,223 | 819 | - | - | 5,899,042 |
| Central services | 116,347 | - | - | - | 116,347 |
| Insurance | 389,737 | - | - | - | 389,737 |
| Other support services | 808,647 | - | - | - | 808,647 |
| Total support services | <u>12,516,830</u> | <u>9,542</u> | <u>-</u> | <u>32,699</u> | <u>12,559,071</u> |
| Non-program services | 1,857,722 | 43,757 | - | - | 1,901,479 |
| Debt service | 9,045 | - | - | - | 9,045 |
| Capital outlay | <u>3,199,999</u> | <u>63,224</u> | <u>-</u> | <u>-</u> | <u>3,263,223</u> |
| Total expenditures | <u>39,735,667</u> | <u>314,176</u> | <u>-</u> | <u>32,699</u> | <u>40,082,542</u> |
| Excess (deficiency) of revenues over expenditures | 2,516,960 | (4,594) | 1,047 | 334 | 2,513,747 |
| Other financing sources (uses) | | | | | |
| Proceeds from sale of fixed assets | 50,500 | - | - | - | 50,500 |
| Transfer from (to) other funds | (1,567,460) | - | 1,567,460 | - | - |
| | <u>(1,516,960)</u> | <u>-</u> | <u>1,567,460</u> | <u>-</u> | <u>50,500</u> |
| Net change in fund balances | 1,000,000 | (4,594) | 1,568,507 | 334 | 2,564,247 |
| Fund balances at July 1, 2020 - as restated | <u>5,021,384</u> | <u>754,807</u> | <u>563,440</u> | <u>89,567</u> | <u>6,429,198</u> |
| Fund balances at June 30, 2021 | <u>\$ 6,021,384</u> | <u>\$ 750,213</u> | <u>\$ 2,131,947</u> | <u>\$ 89,901</u> | <u>\$ 8,993,445</u> |

The accompanying notes are an integral part of this statement.

Tomah Area School District
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 Year ended June 30, 2021

Net change in fund balances - total governmental funds \$ 2,564,247

Amounts reported for governmental fund statements and the statement of activities are different because:

The acquisition of capital assets are reported in the governmental fund statements as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities:

| | | |
|---|---------------|---------|
| Capital outlay reported as expenditures in governmental fund statements | \$ 3,263,223 | |
| Depreciation expense reported in the statement of activities | (2,531,215) | |
| Proceeds from sale of fixed assets | (50,500) | |
| Gain on sale of fixed assets | <u>15,042</u> | 696,550 |

Sick and vacation benefits are reported in the governmental fund statements when amounts are paid. The statement of activities reports the value of benefits earned during the year:

| | | |
|---|-----------------|---------|
| Sick and vacation benefits paid in current year | 199,317 | |
| Sick and vacation benefits earned in current year | <u>(64,241)</u> | 135,076 |

Other post-employment benefits (OPEB) reported in the governmental funds represents current year contributions into the OPEB plan. OPEB expense in the Statement of Activities is actuarially determined by the OPEB plan as the difference between the the OPEB liability from the prior year to the current year, with some adjustments.

| | | |
|--|------------------|---------|
| Amount of contributions to the OPEB trust and required life insurance payments during the year | 497,303 | |
| Actuarially determined change in OPEB liability between years, with adjustments | <u>(337,741)</u> | 159,562 |

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the pension liability (asset) from the prior year to the current year, with some adjustments.

| | | |
|--|----------------|------------------|
| Amount of current year required contributions into the defined benefit pension plan | 1,378,026 | |
| Actuarially determined change in net pension liability (asset) between years, with adjustments | <u>775,897</u> | <u>2,153,923</u> |

Change in net position - governmental activities \$ 5,709,358

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
June 30, 2021

Assets

Current assets

| | | |
|----------------------------|----|---------|
| Cash and investments | \$ | 190,913 |
| Accounts receivable | | 497 |
| Due from other governments | | 76,625 |
| Inventory | | 26,458 |
| | | 26,458 |

Total current assets 294,493

Non-current assets

| | | |
|-------------------------------|--|-----------|
| Capital assets | | 621,223 |
| Less accumulated depreciation | | (423,080) |
| Net capital assets | | 198,143 |
| Net pension asset - WRS | | 229,754 |
| Total non-current assets | | 427,897 |

Deferred outflows of resources

| | | |
|--------------------|--|---------|
| OPEB | | 68,528 |
| Pension plan - WRS | | 362,531 |
| | | 431,059 |

Total assets and deferred outflows of resources \$ 1,153,449

Liabilities

Current liabilities

| | | |
|--|----|--------|
| Accounts payable | \$ | 15,362 |
| Accrued payroll, payroll taxes and insurance | | 10,928 |
| Unearned revenue - student lunch accounts | | 61,116 |
| | | 61,116 |

Total current liabilities 87,406

Non-current liabilities

| | | |
|--|--|---------|
| Other post-employment benefits liability | | 213,495 |
| | | 213,495 |

Total non-current liabilities 213,495

Total liabilities 300,901

Deferred inflows of resources

| | | |
|--------------------|--|---------|
| OPEB | | 48,211 |
| Pension plan - WRS | | 503,341 |
| | | 551,552 |

Net position

| | | |
|------------------------------|--|---------|
| Investment in capital assets | | 198,143 |
| Restricted | | 102,853 |
| | | 102,853 |

Total net position 300,996

Total liabilities, deferred inflows of resources, and net position \$ 1,153,449

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2021

| | |
|-----------------------------------|-------------------|
| Revenues | |
| Food sales | \$ 97,034 |
| State sources | 17,897 |
| Federal sources | 1,323,090 |
| Federal commodities | <u>100,847</u> |
| Total revenues | 1,538,868 |
| Operating expenses | |
| Salaries and wages | 521,164 |
| Employer paid benefits | 84,035 |
| Purchased services | 23,002 |
| Supplies, food and materials | 705,562 |
| Other | 3,890 |
| Depreciation | <u>34,767</u> |
| Total operating expenses | <u>1,372,420</u> |
| Operating income (loss) | 166,448 |
| Non-operating revenue | |
| Interest income | <u>582</u> |
| | 582 |
| Change in net position | 167,030 |
| Net position at beginning of year | <u>133,966</u> |
| Net position at end of year | <u>\$ 300,996</u> |

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2021

Increase in Cash and Cash Equivalents

| | |
|---|-------------------|
| Cash flows from operating activities: | |
| Cash received from user charges | \$ 99,296 |
| Cash received from other government payments | 1,331,784 |
| Cash payments to employees for services | (678,106) |
| Cash payments for utilities and other purchased services | (23,002) |
| Cash payments to suppliers for goods and services | (585,854) |
| Cash payments for other operating expenses | (3,890) |
| Net cash provided by operating activities | <u>140,228</u> |
| Cash flows used in capital and related financing activities: | |
| Capital expenditures | (4,780) |
| Cash flows from investing activities: | |
| Interest on investments | 582 |
| | <u>582</u> |
| Net increase in cash and cash equivalents | <u>136,030</u> |
| Cash and cash equivalents at beginning of year | <u>54,883</u> |
| Cash and cash equivalents at end of year | <u>\$ 190,913</u> |

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

| | |
|--|-------------------|
| Operating income | \$ 166,448 |
| Adjustments to reconcile operating income to net cash provided by operating activities | |
| Depreciation | 34,767 |
| Pension expense | (66,616) |
| OPEB adjustment | (6,649) |
| Changes in net position and liabilities | |
| (Increase) in due from other governments | (497) |
| (Increase) in accounts receivable | (9,203) |
| Decrease in inventory | 3,716 |
| Increase in accounts payable | 15,145 |
| Increase in accrued liabilities | 358 |
| Increase in unearned revenue | 2,759 |
| | <u>(26,220)</u> |
| Net cash provided by operating activities | <u>\$ 140,228</u> |

Non-cash Non-Capital Financing Activities

During the year, the District received commodities from the U.S. Department of Agriculture in the amount of \$100,847.

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2021

| | Scholarship Funds | Employee Benefit Trust | Total |
|--|----------------------|------------------------------|------------|
| Assets | | | |
| Cash and cash equivalents | \$ - | \$ 755,252 | \$ 755,252 |
| Total assets | \$ - | \$ 755,252 | \$ 755,252 |
| Liabilities | | | |
| Due to other funds | \$ - | \$ - | \$ - |
| Due to student organizations | - | - | - |
| Net position | | | |
| Restricted for scholarships | - | - | - |
| Restricted for employee post-employment benefits | - | 755,252 | 755,252 |
| Total net position | - | 755,252 | 755,252 |
| Total liabilities and net position | \$ - | \$ 755,252 | \$ 755,252 |

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

Year ended June 30, 2021

| | | | |
|---|------|------------|------------|
| Additions | | | |
| Gifts and contributions | \$ - | \$ - | \$ - |
| Interest income | - | 12,624 | 12,624 |
| Employee trust fund contribution | - | 581,855 | 581,855 |
| | - | 594,479 | 594,479 |
| Deductions | | | |
| Scholarships awarded | - | - | - |
| Employee benefits | - | 541,858 | 541,858 |
| | - | 541,858 | 541,858 |
| Net change in position | - | 52,621 | 52,621 |
| Net position at beginning of year - as restated | - | 702,631 | 702,631 |
| Net position at end of year | \$ - | \$ 755,252 | \$ 755,252 |

The accompanying notes are an integral part of these statements.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Tomah Area School District (the "District") is organized as a common school district. The District, governed by a seven-member elected school board, operates grades kindergarten through 12 and is comprised of all or parts of twenty-two (22) taxing districts.

The financial statements of the Tomah Area School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

B. Component Units

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements. It was determined that the District has no component units, and it is not included in any other governmental reporting entity.

C. Basis of Presentation

District-wide Statements - The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties and users of the goods and services.

The statement of activities presents a comparison between direct expenses and program revenues for government-wide and business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued

District-wide Statements - Continued

requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category -- governmental, proprietary, and fiduciary -- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General fund - This is the District's primary operating fund. It accounts for all financial activity not required to be accounted for in another fund.

Special revenue fund - This 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. Student activity funds and scholarships are also recorded in this fund.

Long term capital improvement trust fund - A school board with an approved long-term capital improvement plan (minimum of 10 years) may establish a "trust" that is funded with a transfer from the general fund. A school board is prohibited from removing money deposited into this fund for a period of five years after the fund is created. Funds may only be used for the purposes identified in the approved long-term capital improvement plan. These assets may not be transferred to any other school district fund.

The District operates one enterprise fund, the **food service fund**. This fund accounts for the activities of the District's food service programs, generally school breakfast and hot lunch.

The District accounts for assets held as an agent an employee benefit trust fund in fiduciary funds.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting

The District-wide proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of the financial statements. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. State statutes permit the District to invest available cash balances, other than debt service 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 government pooled-investment fund.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash and Investments - Continued

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

All investments are stated at fair market value. Determination of fair value for investment in the state treasurer's investment pool is based on information provided by the State of Wisconsin Investment Board.

F. Receivables and Payables

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

Any amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

G. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has two items related to its pension and other post-employment benefit (OPEB) plans that qualifies for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents a consumption of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting in this category, one related to its pension plan and the other related to its OPEB plan.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Inventory

The District's food service inventory is valued at the lower of cost or market on a first-in, first-out basis.

I. Capital Assets

Capital assets with a minimum cost of \$5,000 are reported at actual cost where possible; otherwise estimated cost was used based on District estimates of original cost. Donated assets are reported at estimated fair market value on the date received.

Depreciable assets are depreciated over their useful lives by the straight-line method. Estimated useful lives are as follows:

| | |
|----------------------------|-------------|
| Land improvements | 20 years |
| Buildings and improvements | 20-50 years |
| Furniture and equipment | 5-20 years |

J. Retirement Plans

District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when corresponding salaries or wages are accrued.

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

The District's policy allows employees to accumulate a maximum of 120 days of sick pay for teachers and 140 days of sick pay for administrators. If the employee has at least fifteen years of service upon retirement or termination, the employee is paid for one-half of his/her accumulated sick pay based upon an average of his/her last five years' pay.

In the governmental statements, the payment of benefits is recorded as expenditures in the fiscal year when these amounts are paid. In the statement of activities, the benefits are recorded when earned.

Payment for accumulated vacation for administrators and central office staff will be placed into a health reimbursement account (HRA) based on current pay rates at the time of termination. Accumulated unpaid vacation is lost for all other employees. See Note 9 for additional information about these and other benefits and the related liability.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Unearned Revenue

The District maintains prepaid family lunch accounts for student lunches. The District records these balances as unearned revenue.

M. Net Position Classification

The District classifies its net position as follows:

- a. Investment in capital assets represents the net depreciated value of capital assets. No debt is owed that was incurred to finance the acquisition of such assets.
- b. Restricted net position indicates that portion of net position that has been legally segregated for specific purposes.
- c. Unrestricted net position indicates that portion of net position for which the District has no legal financial obligation.

N. Fund Balance Classification

The District classifies its fund balance as follows:

- a. Unrestricted, unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.
- b. Unrestricted, assigned fund balances include amounts that can be spent only for specific purposes stipulated by representatives designated by the Board.
- c. Unrestricted, committed fund balances include amounts that can be spent only for specific purposes approved by the Board.
- d. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).

Fund balance classifications for restricted and all categories of unrestricted amounts are considered to have been spent when a qualifying expenditure is incurred.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expense adjustments report the differences between the two accounting methods used in recognizing vested employee benefits.
- b. Capital asset related differences between recording expenditures for the purchase of capital items in the governmental fund statements versus increasing non-current assets on the statement of net position and recording depreciation expense on all capital items in the statement of activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease, as applicable, in the statement of net position, and interest expense is recorded in the statement of activities as incurred.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

| | |
|---------------------------|---------------------|
| Statement of net position | |
| Governmental activities | \$ 6,571,983 |
| Business-type activities | <u>190,913</u> |
| | 6,762,896 |
| Fiduciary funds | <u>755,252</u> |
| | <u>\$ 7,518,148</u> |

Cash and investments as of June 30, 2021 consist of the following:

| | Carrying Amount | Bank Balance |
|--|---------------------|---------------------|
| Cash | | |
| Demand deposits | \$ 911,819 | \$ 928,458 |
| Money market accounts | 5,450,027 | 6,108,086 |
| Passbook savings | 184,554 | 184,554 |
| Certificates of deposit | <u>215,801</u> | <u>215,801</u> |
| | 6,762,201 | <u>\$ 7,436,899</u> |
| Registered group variable contract - AUL fixed interest account | 755,252 | |
| Local government investment pool | <u>695</u> | |
| Total | <u>\$ 7,518,148</u> | |

Investment Pool Information

Participation in the State of Wisconsin Local Government Investment Pool (LGIP) is voluntary. The LGIP is part of the State of Wisconsin Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board (SWIB). The LGIP is not registered with the Securities and Exchange Commission, but operated under the statutory authority of Wisconsin state statutes. The LGIP does not have a credit quality rating. Funds invested in the LGIP are due to the District on demand. The District has relied on data provided by the LGIP for the valuation of pooled investments. At June 30, 2021, the LGIP's fair value was 100 percent of book value.

SWIB may invest in obligations of the U.S. Treasury and its agencies, commercial paper, bank time deposits/certificates of deposit, bankers' acceptances, and asset backed securities and repurchase agreements secured by the U.S. Government or its agencies and other instruments authorized under the SIF investment guidelines.

Investments Authorized by the District's Investment Policy

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). The District's investment policy is to invest in authorized funds that maximize the returns on the District's cash balances consistent with the safety of those monies and with the desired liquidity of the investments.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's policy is to invest funds with maturities of not more than three years. As of year-end, the weighted average maturity of the investments in certificates of deposit is 14.7 months.

Maturities for investments are as follows:

| | Fair Value | Remaining Maturity (in Years) | | | |
|---|-------------------|-------------------------------|-------------------|-------------|--------------|
| | | 0-1 | 1-5 | 6-10 | More Than 10 |
| Registered group variable contract - AUL fixed interest account | \$ 755,252 | \$ 755,252 | \$ - | \$ - | \$ - |
| Certificates of deposit | 215,801 | 95,799 | 120,002 | - | - |
| Local government investment pool | 695 | 695 | - | - | - |
| Total | \$ 971,748 | \$ 851,746 | \$ 120,002 | \$ - | \$ - |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District holds a registered group variable annuity contract from American United Life Insurance Company (AUL). This account is not FDIC insured. Principal and interest rate guarantees are subject to the claims paying ability of the insurance company. AUL's financial strength rating by A.M. Best is A+ (superior) based on ratings as of June 30, 2021.

Concentration of Credit Risk

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The District's investment policy does not specifically address guidelines regarding concentration of credit risk.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The District does not have an investment policy that would limit the exposure to custodial credit risk for deposits. The District has securities pledged at one of its financial institutions in its name to cover deposits exceeding federal depository insurance limits in the amount of \$250,000. The Wisconsin State Deposit Guarantee Fund provides coverage for uninsured and uncollateralized cash and investments for up to an additional \$400,000, but collection is not certain due to the limited size of the fund.

At June 30, 2021, the District had \$400,000 in deposits with financial institutions in excess of federal depository insurance limits that were covered under the state guarantee fund and \$178,188 that were uncollateralized and not covered by the state guarantee fund. Uncollateralized amounts varied during the fiscal year.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Investments held at market at June 30, 2021 are as follows:

| | Cost at June 30, 2021 | Fair value at June 30, 2021 |
|--|--------------------------------|--------------------------------------|
| | | |
| Registered group variable contract - AUL fixed interest account | \$ 703,345 | \$ 755,252 |
| Local government investment pool | 695 | 695 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Assets measured at fair value as of June 30, 2021 are:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobserv- able Inputs (Level 3) |
|--|-------------------|---|---|---|
| Registered group variable contract - AUL fixed interest account | \$ 755,252 | \$ - | \$ 755,252 | \$ - |
| Local government investment pool | 695 | - | 695 | - |
| Total | <u>\$ 755,947</u> | <u>\$ -</u> | <u>\$ 755,947</u> | <u>\$ -</u> |

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund amounts owed to and from funds as of June 30, 2021 resulting from routine District operations, all expected to be repaid within the next fiscal year, are as follows:

| Due From | Due To | Amount |
|--------------|-----------------------------------|--------------|
| General Fund | Capital Improvement Trust Fund | \$ 1,567,460 |

During the fiscal year, the District transferred \$1,567,460 from the General Fund to the Capital Improvement Trust Fund through an operating transfer to set aside funds for future capital improvements.

NOTE 5 - SHORT-TERM NOTES PAYABLE

The District has no balance owed on its short-term notes payable at June 30, 2021. During the year, the District took out a \$4,500,000 line of credit at 3.5% to meet cash flow needs. The line of credit was dated October 15, 2020 and matured October 15, 2021. The District borrowed a total of \$4,825,250 and repaid \$4,825,250 during the year. Interest expense for the fiscal year on short-term borrowing was \$9,045.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 6 - CAPITAL ASSETS

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

| | Balances at July 1, 2020 | Additions and Adjustments | Deletions and Adjustments | Balances at June 30, 2021 |
|--|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Governmental Activities | | | | |
| Not depreciated: | | | | |
| Construction in process | \$ - | \$ 52,660 | \$ - | \$ 52,660 |
| Total | - | 52,660 | - | 52,660 |
| Depreciated: | | | | |
| Site improvements | 2,865,748 | 249,765 | 5,790 | 3,109,723 |
| Buildings and building improvements | 34,328,168 | 1,000,491 | - | 35,328,659 |
| Furniture and equipment | 21,190,638 | 1,960,307 | 4,046,170 | 19,104,775 |
| Total capital assets | 58,384,554 | 3,263,223 | 4,051,960 | 57,595,817 |
| Less accumulated depreciation | | | | |
| Site improvements | 1,037,037 | 130,943 | 5,790 | 1,162,190 |
| Buildings and building improvements | 18,352,051 | 786,285 | - | 19,138,336 |
| Furniture and equipment | 13,286,030 | 1,613,987 | 4,010,712 | 10,889,305 |
| Total accumulated depreciation | 32,675,118 | 2,531,215 | 4,016,502 | 31,189,831 |
| Governmental activities capital assets, net of accumulated depreciation | \$ 25,709,436 | \$ 732,008 | \$ 35,458 | \$ 26,405,986 |
| Business-Type Activities | | | | |
| Building | \$ 65,747 | \$ - | \$ - | \$ 65,747 |
| Furniture and equipment | 568,791 | 4,780 | 18,095 | 555,476 |
| Totals | 634,538 | 4,780 | 18,095 | 621,223 |
| Less accumulated depreciation | | | | |
| Building | 39,572 | 3,514 | - | 43,086 |
| Furniture and equipment | 366,836 | 31,253 | 18,095 | 379,994 |
| Totals | 406,408 | 34,767 | 18,095 | 423,080 |
| Business-type activities capital assets, net of accumulated depreciation | \$ 228,130 | \$ (29,987) | \$ - | \$ 198,143 |

Depreciation expense was allocated to governmental activities based on functional expense totals as they relate to total functional expenses in the following categories:

| | |
|----------------------------------|--------------|
| Regular instruction | \$ 540,069 |
| Vocational instruction | 7,742 |
| Special education instruction | 4,908 |
| Other instruction | 27,577 |
| Pupil services | 1,996 |
| Instructional staff services | 386,403 |
| School administration services | 6,570 |
| Business administration services | 1,456,031 |
| Central services | 21,400 |
| Other support services | 78,519 |
| | \$ 2,531,215 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS

Long-term obligations balances and activity for the year ended June 30, 2021 are as follows:

| | Balances at July 1, 2020 | Additions | Reductions and Adjustments | Balances at June 30, 2021 |
|---|--------------------------------|------------------|----------------------------------|---------------------------------|
| Governmental Activities | | | | |
| Vacation and sick payable | \$ 1,268,754 | \$ 64,241 | \$ 199,317 | \$ 1,133,678 |
| Net pension liability (asset) - WRS | (3,850,602) | - | 3,578,144 | (7,428,746) |
| Post retirement health care & other benefits | 6,348,594 | 1,412,240 | 1,270,872 | 6,489,962 |
| Total governmental activity long-term obligations | 3,766,746 | 1,476,481 | 5,048,333 | 194,894 |
| Business-Type Activities | | | | |
| Net pension liability (asset) - WRS | (119,090) | - | 110,664 | (229,754) |
| Post retirement health care & other benefits | 207,605 | 47,923 | 42,033 | 213,495 |
| | 88,515 | 47,923 | 152,697 | (16,259) |
| Total long-term obligations | \$ 3,855,261 | \$ 1,524,404 | \$ 5,201,030 | \$ 178,635 |

Payments on bonds and notes are made by the Debt Service Fund, if applicable.

Total interest accrued and paid, including fiscal agent fees of \$0 for the year ended June 30, 2021 is as follows:

| | Accrued | Paid |
|-----------------------|--------------|--------------|
| Short-term borrowing | \$ 9,045 | \$ 9,045 |
| Long-term obligations | - | - |
| Totals | \$ 9,045 | \$ 9,045 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective 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 annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN - CONTINUED

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

The WRS also provides death and disability benefits for employees.

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 | 0.5 | (5.0) |
| 2017 | 2.0 | 4.0 |
| 2018 | 2.4 | 17.0 |
| 2019 | 0.0 | (10.0) |
| 2020 | 1.7 | 21.0 |

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,302,693 in contributions from the employer.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Contribution rates as of June 30, 2021 are:

| Employee Category | Employee | Employer |
|------------------------------------|-----------------|-----------------|
| General (including teachers) | 6.75% | 6.75% |
| Executives & Elected Officials | 6.75% | 6.75% |
| Protective with Social Security | 6.75% | 11.75% |
| Protective without Social Security | 6.75% | 16.35% |

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

At June 30, 2021, the District reported a liability (asset) of (\$7,858,500) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.12267068%, which was a decrease of 0.00044131% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(814,416).

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ 11,084,203 | \$ 2,387,518 |
| Changes in assumptions | 173,709 | - |
| Net differences between projected and actual earnings on pension plan investments | - | 14,378,211 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 12,137 | 12,283 |
| Employer contributions subsequent to the measurement date | 814,278 | - |
| Total | \$ 12,084,327 | \$ 16,778,012 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN - CONTINUED

\$814,278 reported as deferred outflows related to pensions resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | Net Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2022 | \$ (1,413,293) |
| 2023 | \$ (385,012) |
| 2024 | \$ (2,605,152) |
| 2025 | \$ (1,104,506) |

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

| | |
|---|--------------------------------|
| Actuarial Valuation Date: | December 31, 2019 |
| Measurement Date of Net Pension Liability (Asset) | December 31, 2020 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 7.0% |
| Discount Rate: | 7.0% |
| Salary Increases: | |
| Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | Wisconsin 2018 Mortality Table |
| Post-retirement Adjustments* | 1.9% |

* 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN - CONTINUED

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Allocation Targets and Expected Returns | | | |
|--|---------------------------|--|---|
| As of December 31, 2020 | | | |
| <u>Core Fund Asset Class</u> | <u>Asset Allocation %</u> | <u>Long-Term Expected Nominal Rate of Return %</u> | <u>Long-Term Expected Real Rate of Return %</u> |
| Global Equities | 51 | 7.2 | 4.7 |
| Fixed Income | 25 | 3.2 | 0.8 |
| Inflation Sensitive Assets | 16 | 2.0 | (0.4) |
| Real Estate | 8 | 5.6 | 3.1 |
| Private Equity/Debt | 11 | 10.2 | 7.6 |
| Multi-Asset | 4 | 5.8 | 3.3 |
| Total Core Fund | 115 | 6.6 | 4.1 |
| | | | |
| <u>Variable Fund Asset Class</u> | | | |
| U.S. Equities | 70 | 6.6 | 4.1 |
| International Equities | 30 | 7.4 | 4.9 |
| Total Variable Fund | 100 | 7.1 | 4.6 |
| | | | |
| New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4% | | | |
| Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations | | | |

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current 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.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 8 - EMPLOYEE RETIREMENT PLAN - CONTINUED

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

| | 1% Decrease to Discount Rate (6.00%) | Current Discount Rate (7.00%) | 1% Increase To Discount Rate (8.00%) |
|---|--|-------------------------------------|--|
| District's proportionate share of the net pension liability (asset) | \$ 7,289,831 | \$ (7,658,500) | \$(18,637,939) |

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

Payables to the pension plan. The District's payable to WRS as of June 30, 2021 was \$440,452, consisting of its monthly required contribution for the employer and employee withholdings for June 2021.

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. Health Care Benefits Post-Employment Benefits

Plan Description. The District administers a single-employer defined benefit healthcare plan. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plan. The plan covers both active and retired participants. As of the actuarial valuation date, there were 284 active participants and 39 retirees in the plan. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

A description of the single-employer benefit plan is detailed on the following pages.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A description of the single-employer benefit plan is as follows:

| Group | Eligibility | | Benefit Description | | | | | | | | |
|---------------------------------|---------------|---------|---|-----------------|---------------|----------------|---------|----------------|---------|-----------------|---------|
| | Age | Service | | | | | | | | | |
| Teachers hired prior to 7/1/07 | 55 | 15 | Teachers who retired before July 1, 2009 received 100% of medical premium; frozen at rate at retirement for 10 years. The Medicare supplement rate is paid after age 65. | | | | | | | | |
| | 55 (1) | 15 (1) | Teachers who retired after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at the rate at retirement. | | | | | | | | |
| | 55 (1) | 15 (1) | Teachers who retired after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the teacher's continuous years of service, not to exceed 40 years, times the amount in the table below, paid in equal installments over 84 months. | | | | | | | | |
| | | | <table border="0"> <tr> <td style="text-align: center;"><u>Retiring</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td style="text-align: center;">7/1/12-6/30/13</td> <td style="text-align: center;">\$4,000</td> </tr> <tr> <td style="text-align: center;">7/1/13-6/30/17</td> <td style="text-align: center;">\$3,000</td> </tr> <tr> <td style="text-align: center;">6/1/17 or later</td> <td style="text-align: center;">\$2,000</td> </tr> </table> | <u>Retiring</u> | <u>Amount</u> | 7/1/12-6/30/13 | \$4,000 | 7/1/13-6/30/17 | \$3,000 | 6/1/17 or later | \$2,000 |
| <u>Retiring</u> | <u>Amount</u> | | | | | | | | | | |
| 7/1/12-6/30/13 | \$4,000 | | | | | | | | | | |
| 7/1/13-6/30/17 | \$3,000 | | | | | | | | | | |
| 6/1/17 or later | \$2,000 | | | | | | | | | | |
| Teachers hired 7/1/07 - 6/30/12 | 55 (1) | 15 (1) | The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee is vested after 5 years of continuous service. (This is a non-OPEB benefit.) | | | | | | | | |
| Teachers hired 7/1/12 - 6/30/16 | 55 (1) | 15 (1) | The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee must be 62 years old or have 5 years of continuous service with the District to be vested in the contributions. (This is a non-OPEB benefit.) | | | | | | | | |
| Teachers hired 7/1/16 - current | 55 (1) | 15 (1) | The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee must be 62 years old or have 15 years of continuous service with the District to be vested in the contributions. (This is a non-OPEB benefit.) | | | | | | | | |
| Administrators | | | Administrators hired on or before the 2004-2005 school year are eligible for: Option 1, 2, 3, 4, or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired after the 2004-2005 school year, but on or before July 1, 2010 are eligible for: Option 2, 3, 4 or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired on or after July 2, 2010 are eligible for: Option 3, 4 or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired on or after June 30, 2017 are eligible for: Option 5 | | | | | | | | |

Tomah Area School District
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

| Group | Eligibility | | Benefit Description | | | | | | | | |
|-------------------------|---------------------------|---------|---|-------------------------|---------------------------|----------|-----|----------|-----|--------------|------|
| | Age | Service | | | | | | | | | |
| | | | <u>Options</u> | | | | | | | | |
| Administrators | 57 | 8 | <p>1) The retiree must be at least 57 years old at retirement. The District will pay the percent of premium as shown below for 8 years, based on the years of service at retirement</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>Percent of Premium</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 to 14</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">15 to 20</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">More than 20</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> | <u>Years of Service</u> | <u>Percent of Premium</u> | 10 to 14 | 50% | 15 to 20 | 75% | More than 20 | 100% |
| <u>Years of Service</u> | <u>Percent of Premium</u> | | | | | | | | | | |
| 10 to 14 | 50% | | | | | | | | | | |
| 15 to 20 | 75% | | | | | | | | | | |
| More than 20 | 100% | | | | | | | | | | |
| | 55 (1) | 15 (1) | <p>2) Administrators selecting Option 2 may choose <u>one</u> of the two following options for post retirement benefits:</p> <p>a) The District will deposit into a HRA an amount equal to the administrator's continuous years of service, not to exceed 40 years of service, multiplied by \$4,000, to be paid in equal installments over 84 months.</p> <p>b) The District will deposit into a HRA an amount equal to 100% of the premium rate on June 30 of the year the Administrator's retirement will commence. The deposits will be made on a monthly basis and will cease after 84 months.</p> | | | | | | | | |
| | 55 (1) | 15 (1) | <p>3) Administrators selecting Option 3 may choose <u>one</u> of the two following options for post-retirement benefits:</p> <p>a) The District will deposit into a HRA an amount equal to the administrator's continuous years of service, not to exceed 40 years of service, multiplied by \$4,000, to be paid in equal installments over 84 months</p> <p>b) The District will deposit into a HRA an amount equal to 80% of the premium rate on June 30 of the year the Administrator's retirement will commence. The deposits will be made on a monthly basis and will cease after 84 months.</p> | | | | | | | | |
| | 55 (1) | 12 | <p>4) The District will deposit an amount not to exceed \$120,000 into a HRA, to be distributed equally for 5 years. Accordingly, Administrators who elect to receive Option 4 shall have deposits made on their behalf at a rate of \$2000 per month for a period of 5 years. Deposits will commence within two months of the date of retirement. Deposits will cease at the end of the 5th year with the final payment or when both the Administrator and spouse are deceased, whichever occurs first.</p> | | | | | | | | |
| | | 15 | <p>5) The District will make an annual deposit of \$5,000 or an approved prorated amount into an HRA account selected by the District. Proration calculations and percentages of the total \$5,000 (100%) figure that are payable for any given school year of service shall be a function of the Administrator's FTE for that year (e.g. an Administrator with a .8 FTE shall be paid 80% for that year.)</p> <p>(No age retirement for this option. If the Administrator attains the age of 62 while employed with the District, the Administrator will become 100 percent vested in amounts that have been paid upon reaching age 62, even if they have not yet attained 15 years of continuous service in the District.)</p> | | | | | | | | |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

| Group | Eligibility | | Benefit Description |
|---|-------------|---------|--|
| | Age | Service | |
| Non-Teaching Support Staff | 55 | 15 | Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days. Severance pay for each day of eligibility will be based on the average per day pay for the last 5 years. (This is a non-OPEB benefit.) |
| District Office Staff hired before 1/1/09 | 55 | 15 | Office staff who retired before July 1, 2009 received 100% of monthly medical premium; frozen at rate at retirement; payable for 10 years. The Medicare supplement rate is paid after age 65. |
| | 55 (1) | 15 (1) | Office staff who retire on or after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years. b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at rate at retirement. |
| | 55 (1) | 15 (1) | For office staff who retire after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the employee's continuous years of service, not to exceed 40 years, times \$4,000, paid in equal installments over 84 months. The District will also deposit into the HRA account 50% of the accumulated value of unused sick leave (up to 60 days) at retirement. |
| District Office Staff hired 1/1/09 or later | 55 (1) | 15 (1) | The District will deposit \$1,500 per year into an investment account during the term of the office staff's employment with the District for a period not to exceed 25 years. See District agreements for further clarification regarding vesting period and account information. (This is a non-OPEB benefit.) |

(1) Age plus service must be at least 75 or greater.

Account values are prorated for part-time Teachers and Administrators.

Surviving spouses are eligible to continue receiving benefits until the account values are exhausted.

Retirees are eligible to continue health insurance coverage once the account values are exhausted by paying 100% of the premiums.

Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days for retiring administrators and office staff.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

Funding Policy. The District has established a trust fund to finance the cost of its OPEB. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required by the Governmental Accounting Standards Board (GASB) in the District-wide statements. There is no obligation on the part of the District to fund these benefits in advance.

Net Other Post-Employment Benefit Liability. The net other post-employment benefit liability (NOL) was measured as of June 30, 2021 and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Methods and Assumptions. The District engaged an actuary to perform a valuation as of June 30, 2021, using the entry age normal, level percent of pay actuarial cost method. The asset valuation method used was the market value and the amortization period used was 18 years, level dollar.

The total other post-employment benefit liability in the July 1, 2018 actuarial valuation and rolled forward to June 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------------|-------|
| Amortization growth rate | 4.00% |
| Discount rate | 2.20% |
| General inflation | 2.25% |
| Annual premium increase rate 2021+ | 5.50% |

All of the demographic assumptions used (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are approximately the same as those used in the Wisconsin Retirement System 2018 Experience Study.

Retirement rates were calculated based on age and years of service. The percent of future retirees assumed to elect medical coverage varies based on the level of District contributions. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled and those with family coverage before retirement are assumed to maintain family coverage in the future. There was an assumption of no impact of dependent children on the implicit subsidy.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

The discount rate used to measure the total other post-employment benefit liabilities was 2.00%, based on the current yield for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher and also the expected long-term yield on Trust assets.

Change in the Net Other Post-Employment Benefit Liability

| | Increase (Decrease) | | |
|--|-------------------------|------------------------------|--------------------------|
| | Total OPEB Liability | Fiduciary Net Position | Net OPEB Liability |
| Balance at the beginning of the year | \$ 6,019,129 | \$ 702,631 | \$ 5,316,498 |
| Changes for the year: | | | |
| Service cost | 196,168 | - | 196,168 |
| Interest | 231,430 | - | 231,430 |
| Plan changes | (259,621) | - | (259,621) |
| Differences between expected and actual experience | (527,897) | - | (527,897) |
| Changes of assumptions or other input | 614,776 | - | 614,776 |
| Contributions - employer | - | 506,777 | (506,777) |
| Expected return on assets | - | 12,624 | (12,624) |
| Benefit payments | (466,780) | (466,780) | - |
| Administrative expense | - | - | - |
| Net changes | (211,924) | 52,621 | (264,545) |
| Balance at the end of the year | \$ <u>5,807,205</u> | \$ <u>755,252</u> | \$ <u>5,051,953</u> |

Sensitivity of Net Other Post-Employment Benefit Liability to changes in the discount and healthcare cost trend rates. The following represents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.20 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.20 percent) or 1-percentage-point higher (3.20 percent) than the current rate:

| | 1% Decrease to Discount Rate (1.20%) | Current Discount Rate (2.20%) | 1% Increase To Discount Rate (3.20%) |
|--------------------|--|-------------------------------------|--|
| Net OPEB liability | \$ 5,398,698 | \$ 5,051,953 | \$ 4,724,773 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the healthcare cost trend rate of 5.50 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current rate:

| | 1% Decrease (4.5) | Current (5.5%) | 1% Increase (6.5%) |
|--------------------|----------------------|-------------------|-----------------------|
| Net OPEB liability | \$ 5,091,638 | \$ 5,051,953 | \$ 5,071,810 |

Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits.

For the year ended June 30, 2021, the District recognized other post employments benefit expense of \$142,279.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to its other post-employment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 528,430 | \$ 490,243 |
| Changes of assumptions | 570,926 | 694,472 |
| Net differences between projected and actual earnings on OPEB plan investments | 29,302 | - |
| Total | \$ 1,128,658 | \$ 1,184,715 |

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

| Year ended June 30: | Deferred Outflow (Inflows) of Resources |
|---------------------|--|
| 2022 | \$ 3,531 |
| 2023 | \$ 3,527 |
| 2024 | \$ (581) |
| 2025 | \$ (3,483) |
| 2026 | \$ (6,577) |
| Thereafter | \$ (52,474) |

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

Summary of Significant Accounting Policies

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes, for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2021 are:

| Coverage Type | Employer Contribution |
|------------------------------|------------------------------|
| 50% Post Retirement Coverage | 40% of employee contribution |
| 25% Post Retirement Coverage | 20% of employee contribution |

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

| |
|---|
| Life Insurance Employee Contribution Rates* For the year ended December 31, 2020 |
|---|

| Attained Age | Basic | Supplemental |
|--------------|--------|--------------|
| Under 30 | \$0.05 | \$0.05 |
| 30-34 | 0.06 | 0.06 |
| 35-39 | 0.07 | 0.07 |
| 40-44 | 0.08 | 0.08 |
| 45-49 | 0.12 | 0.12 |
| 50-54 | 0.22 | 0.22 |
| 55-59 | 0.39 | 0.39 |
| 60-64 | 0.49 | 0.49 |
| 65-69 | 0.57 | 0.57 |

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$5,986 in contributions from the employer.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the District reported a liability of \$1,651,504 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.30023400%, which was an increase of 0.009101% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021 the District recognized OPEB expense of \$207,193.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 78,804 |
| Net differences between projected and actual earnings on OPEB plan investments | 24,044 | - |
| Changes in assumptions | 642,458 | 113,315 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 68,380 | 28,769 |
| Employer contributions subsequent to the measurement date | 5,904 | - |
| Total | \$ 740,786 | \$ 220,888 |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

\$5,904 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2022. Other amounts reported as net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | Net Deferred Outflow (Inflows) of Resources |
|------------------------|--|
| 2021 | \$ 93,901 |
| 2022 | 91,301 |
| 2023 | 88,623 |
| 2024 | 83,734 |
| 2025 | 107,435 |
| Thereafter | 49,000 |

Actuarial assumptions. The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--------------------------------|
| Actuarial Valuation Date: | January 1, 2020 |
| Measurement Date of Net OPEB Liability (Asset) | December 31, 2020 |
| Actuarial Cost Method: | Entry Age Normal |
| 20 Year Tax-Exempt Municipal Bond Yield: | 2.12% |
| Long-Term Expected Rate of Return: | 4.25% |
| Discount Rate: | 2.25% |
| Salary Increases | |
| Inflation: | 3.00% |
| Seniority/Merit: | 0.1% - 5.6% |
| Mortality: | Wisconsin 2018 Mortality Table |

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
 Asset Allocation Targets and Expected Returns
 As of December 31, 2020**

| <u>Asset Class</u> | <u>Index</u> | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|-----------------------------------|-----------------|------------------------------|---|
| US Credit Bonds | Barclays Credit | 50% | 1.47% |
| US Mortgages | Barclays MBS | 50% | 0.82% |
| Inflation | | | 2.20% |
| Long-Term Expected Rate of Return | | | 4.25% |

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Single Discount rate. A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

| | 1% Decrease to Discount Rate (1.25%) | Current Discount Rate (2.25%) | 1% Increase To Discount Rate (3.25%) |
|--|---|--|---|
| District's proportionate share of the net OPEB liability | \$ 2,246,517 | \$ 1,651,504 | \$ 1,201,512 |

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the OPEB plan

District had no payables to the defined benefit OPEB plan as of June 30, 2021.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2021

NOTE 10 - FUND BALANCES AND NET POSITION

Net position

At June 30, 2021, food service net position of \$198,143 was invested in capital assets, and \$62,853 was unrestricted.

At June 30, 2021, the Governmental Activities has a net investment in capital assets of \$26,405,986. Restricted net assets are \$4,689,200, consisting of \$1,717,139 restricted for the Wisconsin Retirement System Pension Plan, \$750,213 restricted for unspent donations, scholarships and student organizations, \$2,131,947 restricted for capital improvements, and \$89,901 restricted for debt service.

NOTE 11 - OPERATING LEASE, AS LESSEE

The District, as lessee, leases copy machines and postage machines at varying monthly payments. The leases expire at various times through June 2025. Lease expenses for the year ended June 30, 2021 were \$106,133. Minimum annual lease payments are as follows:

| | | | |
|---------------------------------------|--------------------------|----|-----------------------|
| | Year ended June 30, 2022 | \$ | 65,712 |
| | 2023 | | 65,712 |
| | 2024 | | 64,707 |
| | 2025 | | <u>62,696</u> |
| Total minimum lease payments required | | \$ | <u><u>258,827</u></u> |

NOTE 12 - RESTATEMENT OF FUND BALANCE AND NET POSITION AS OF JULY 1, 2020

On July 1, 2020, the District reclassified its scholarship funds in the amount of \$405,178 from a fiduciary fund (Fund 72) to a district activity in the District's Special Revenue Trust Fund (Fund 21) in order to implement GASB Statement No. 84 in the fiscal year ending June 30, 2021.

The District's fund balance restatement is as follows:

| | Special Revenue Trust Fund | | Total Governmental Funds |
|---|-------------------------------|----|-----------------------------|
| Balance at beginning of year | \$ 349,629 | \$ | 6,024,020 |
| Scholarship funds in Special Revenue Trust Fund | <u>405,178</u> | | <u>405,178</u> |
| | <u>405,178</u> | | <u>405,178</u> |
| Balance at beginning of year - as restated | \$ <u><u>754,807</u></u> | \$ | <u><u>6,429,198</u></u> |

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2021

NOTE 12 - RESTATEMENT OF FUND BALANCE AND NET POSITION AS OF JULY 1, 2020 - CONTINUED

The District's net position restatement is as follows:

| | Governmental Activities | Total District |
|---|----------------------------|----------------------|
| Balance at beginning of year | \$ 24,980,650 | \$ 25,114,616 |
| Scholarship funds in Special Revenue Trust Fund | 405,178 | 405,178 |
| | 405,178 | 405,178 |
| Balance at beginning of year - as restated | \$ <u>25,385,828</u> | \$ <u>25,519,794</u> |

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District insures through commercial insurance companies for all risks of loss, except for health and dental care. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 - LIMITATION ON SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

REQUIRED SUPPLEMENTARY INFORMATION

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POST-EMPLOYMENT BENEFIT PLANS - HEALTH CARE
Year ended June 30, 2021

| Fiscal Year Ended | Actuarially Determined Contribution (ADC) | Contributions in Relation to the ADC | Contribution deficiency (excess) | Employer's Covered Payroll | Contribution as a Percentage of Covered Employee Payroll |
|-------------------------|--|---|--|----------------------------------|--|
| 6/30/2017 | \$ 831,710 | \$ 1,431,036 | \$ (599,326) | \$ 19,677,102 | 7.27% |
| 6/30/2018 | \$ 835,222 | \$ 1,307,947 | \$ (472,725) | \$ 19,595,756 | 6.67% |
| 6/30/2019 | \$ 667,794 | \$ 944,598 | \$ (276,804) | \$ 20,478,290 | 4.61% |
| 6/30/2020 | \$ 661,868 | \$ 593,385 | \$ 68,483 | \$ 21,470,339 | 2.76% |
| 6/30/2021 | \$ 564,882 | \$ 581,856 | \$ (16,974) | \$ 22,539,903 | 2.58% |

Assumptions in Computation of ARC:

| | Actuarial Cost Method | Asset Valuation Method | Amortization Years for Level Dollar Method | Discount Rate | Asset Earnings Rate |
|-----------|--------------------------|---------------------------|---|------------------|------------------------|
| 6/30/2017 | Entry Age Normal | Market Value | 22 | 2.85% | 2.85% |
| 6/30/2018 | Entry Age Normal | Market Value | 21 | 2.85% | 2.85% |
| 6/30/2019 | Entry Age Normal | Market Value | 20 | 4.00% | 4.00% |
| 6/30/2020 | Entry Age Normal | Market Value | 19 | 4.00% | 4.00% |
| 6/30/2021 | Entry Age Normal | Market Value | 18 | 2.20% | 2.20% |

* Amounts presented for the fiscal year were determined as of the measurement date.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS - HEALTH CARE
Year ended June 30, 2021

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 342,723 | \$ 346,139 | \$ 207,328 | \$ 201,630 | \$ 196,168 |
| Interest | 249,137 | 237,160 | 270,180 | 255,796 | 231,430 |
| Changes in benefit terms | - | - | - | - | (259,621) |
| Differences between expected and actual experience | - | - | 650,374 | - | (527,897) |
| Changes of assumptions or other input | - | - | (854,733) | - | 614,776 |
| Benefit payments | (1,541,921) | (1,280,633) | (899,598) | (563,385) | (466,780) |
| Net change in total OPEB liability | (950,061) | (697,334) | (626,449) | (105,959) | (211,924) |
| Total OPEB liability - beginning of the year | 8,398,932 | 7,448,871 | 6,751,537 | 6,125,088 | 6,019,129 |
| Total OPEB liability - ending (a) | <u>\$ 7,448,871</u> | <u>\$ 6,751,537</u> | <u>\$ 6,125,088</u> | <u>\$ 6,019,129</u> | <u>\$ 5,807,205</u> |
| Fiduciary net position | | | | | |
| Contributions | \$ 1,456,449 | \$ 1,307,947 | \$ 944,598 | \$ 593,385 | \$ 506,777 |
| Net investment income | 10,848 | 8,052 | 9,351 | 11,917 | 12,624 |
| Benefit payments | (1,541,921) | (1,280,633) | (899,598) | (563,385) | (466,780) |
| Administrative expense | - | - | - | - | - |
| Net change in fiduciary net position | (74,624) | 35,366 | 54,351 | 41,917 | 52,621 |
| Fiduciary net position - beginning of the year | 645,621 | 570,997 | 606,363 | 660,714 | 702,631 |
| Fiduciary net position - ending (b) | <u>\$ 570,997</u> | <u>\$ 606,363</u> | <u>\$ 660,714</u> | <u>\$ 702,631</u> | <u>\$ 755,252</u> |
| Net OPEB liability - end of the year (a) - (b) | <u>\$ 6,877,874</u> | <u>\$ 6,145,174</u> | <u>\$ 5,464,374</u> | <u>\$ 5,316,498</u> | <u>\$ 5,051,953</u> |
| Fiduciary net position as a percentage of the total OPEB liability | 7.67% | 8.98% | 10.79% | 11.67% | 13.01% |
| Covered payroll | \$ 19,677,102 | \$ 19,595,756 | \$ 20,478,290 | \$ 21,470,339 | \$ 22,539,903 |
| Net OPEB liability as a percentage of covered payroll | 34.95% | 31.36% | 26.68% | 24.76% | 22.41% |
| Annual weighted money-weighted rate of return net of investment expenses | 1.68% | 1.41% | 1.57% | 1.79% | 1.79% |

* Amounts presented for the fiscal year were determined as of the measurement date.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
Year ended June 30, 2021

| | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability (asset) | 0.27399300% | 0.27097700% | 0.29113300% | 0.30023400% |
| District's share of the net pension liability (asset) | \$ 824,330 | \$ 699,212 | \$ 1,239,701 | \$ 1,651,504 |
| District's covered-employee payroll | \$ 11,522,189 | \$ 15,260,000 | \$ 16,226,000 | \$ 16,410,000 |
| District's collective net OPEB liability as a percentage of the employer's covered-employee payroll | 7.15% | 4.58% | 7.64% | 10.06% |
| Plan fiduciary net position as a percentage of the total OPEB liability (asset) | 44.81% | 48.69% | 37.58% | 31.36% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
Year ended June 30, 2021

| | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|---------------|
| Contractually required contributions | \$ 5,203 | \$ 5,220 | \$ 5,263 | \$ 5,986 |
| Contributions in relation to the contractually required contributions | \$ 5,203 | \$ 5,220 | \$ 5,263 | \$ 5,986 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 11,522,189 | \$ 15,260,000 | \$ 16,226,000 | \$ 16,410,000 |
| Contributions as a percentage of covered-employee payroll | 0.045% | 0.034% | 0.032% | 0.036% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Notes to the Required Supplementary Information
Year ended June 30, 2021

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

Changes of assumptions. The Single Discount Rate assumption used to develop Total OPEB liability changed from the prior year. Please refer to the footnote for changes in actuarial assumptions section for additional detail.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
Year ended June 30, 2021

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------------|---------------|---------------|----------------|---------------|----------------|----------------|
| District's proportion of the net pension liability (asset) | 0.12748006% | 0.12491617% | 0.12491617% | 0.12210599% | 0.12226334% | 0.12311199% | 0.12267068% |
| District's share of the net pension liability (asset) | \$ (3,131,259) | \$ 2,029,864 | \$ 1,010,022 | \$ (3,625,471) | \$ 4,349,746 | \$ (3,969,692) | \$ (7,658,500) |
| District's covered payroll | \$ 17,880,425 | \$ 17,234,266 | \$ 17,588,230 | \$ 18,307,951 | \$ 18,727,602 | \$ 19,888,455 | \$ 20,371,484 |
| District's collective net pension liability (assets) as a percentage of the District's covered payroll | -17.51% | 11.78% | 5.74% | -19.80% | 23.23% | -19.96% | -37.59% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 102.74% | 98.20% | 99.12% | 102.93% | 96.45% | 102.96% | 105.26% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
Year ended June 30, 2021

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contributions | \$ 1,251,630 | \$ 1,171,930 | \$ 1,160,823 | \$ 1,244,940 | \$ 1,254,749 | \$ 1,302,693 | \$ 1,375,075 |
| Contributions in relation to the contractually required contributions | \$ 1,251,630 | \$ 1,171,930 | \$ 1,160,823 | \$ 1,244,940 | \$ 1,254,749 | \$ 1,302,693 | \$ 1,375,075 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 17,880,425 | \$ 17,234,266 | \$ 17,588,230 | \$ 18,307,951 | \$ 18,727,602 | \$ 19,888,455 | \$ 20,371,484 |
| Contributions as a percentage of covered payroll | 7.00% | 6.80% | 6.60% | 6.80% | 6.70% | 6.55% | 6.75% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Notes to the Required Supplementary Information
Year ended June 30, 2021

Changes in 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.

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - FUNDS 10 AND 27
Year ended June 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|------------------|---------------|---------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 13,169,047 | \$ 13,020,095 | \$ 13,020,095 | \$ - |
| Other local sources | 356,927 | 154,409 | 154,409 | - |
| Interdistrict sources | 515,850 | 818,316 | 818,316 | - |
| Intermediate sources | 9,152 | 17,564 | 17,564 | - |
| State sources | 23,721,394 | 24,563,461 | 24,563,461 | - |
| Federal sources | 2,797,947 | 3,441,809 | 3,441,809 | - |
| Other sources | 152,525 | 236,973 | 236,973 | - |
| Total revenues | 40,722,842 | 42,252,627 | 42,252,627 | - |
| Expenditures | | | | |
| Instruction | | | | |
| Regular instruction | 15,379,466 | 15,480,820 | 15,480,820 | - |
| Vocational instruction | 941,955 | 969,670 | 969,670 | - |
| Special instruction | 4,820,981 | 4,709,924 | 4,709,924 | - |
| Other instruction | 1,403,896 | 1,376,900 | 1,376,900 | - |
| Total instruction | 22,546,298 | 22,537,314 | 22,537,314 | - |
| Support services | | | | |
| Pupil services | 2,034,042 | 1,499,717 | 1,499,717 | - |
| Instructional staff services | 1,982,499 | 2,174,180 | 2,174,180 | - |
| General administration services | 402,245 | 448,027 | 448,027 | - |
| Building administration services | 1,747,111 | 1,756,598 | 1,756,598 | - |
| Business administration services | 7,534,641 | 7,927,580 | 7,927,580 | - |
| Central services | 127,200 | 116,347 | 116,347 | - |
| Insurance | 337,759 | 389,737 | 389,737 | - |
| Principal and interest | 15,000 | 9,045 | 9,045 | - |
| Other support services | 2,205,374 | 1,019,400 | 1,019,400 | - |
| Total support services | 16,385,871 | 15,340,631 | 15,340,631 | - |
| Non-program services | 1,796,673 | 1,857,722 | 1,857,722 | - |
| Total expenditures | 40,728,842 | 39,735,667 | 39,735,667 | - |
| Excess (deficiency) of revenues over expenditures | (6,000) | 2,516,960 | 2,516,960 | - |
| Other financing sources (uses) | | | | |
| Proceeds from sale of fixed assets | 6,000 | 50,500 | 50,500 | - |
| Transfer from (to) other funds | - | (1,567,460) | (1,567,460) | - |
| | 6,000 | (1,516,960) | (1,516,960) | - |
| Net change in fund balance | - | 1,000,000 | 1,000,000 | - |
| Fund balance at July 1, 2020 | 5,021,384 | 5,021,384 | 5,021,384 | - |
| Fund balance at June 30, 2021 | \$ 5,021,384 | \$ 6,021,384 | \$ 6,021,384 | \$ - |

Tomah Area School District
**RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
BUDGET AND ACTUAL - REGULATORY BASIS TO GAAP BASIS
GENERAL FUND AND SPECIAL EDUCATION FUND
Year ended June 30, 2021

| | General Fund - Fund 10 | | | Special Education Fund - Fund 27 | | | Combined Fund 10 and 27 | | |
|--|------------------------|-------------------|-------------------|----------------------------------|------------------|------------------|-------------------------|-------------------|-------------------|
| | Budgeted Amounts | | Actual | Budgeted Amounts | | Actual | Budgeted Amounts | | Actual |
| | Original | Final | | Original | Final | | Original | Final | |
| Revenues | | | | | | | | | |
| Property taxes | \$ 13,169,047 | \$ 13,020,095 | \$ 13,020,095 | \$ - | - | - | \$ 13,169,047 | \$ 13,020,095 | \$ 13,020,095 |
| Other local sources | 356,927 | 154,409 | 154,409 | - | - | - | 356,927 | 154,409 | 154,409 |
| Interdistrict sources | 515,850 | 818,316 | 818,316 | - | - | - | 515,850 | 818,316 | 818,316 |
| Intermediate sources | 6,152 | 17,564 | 17,564 | 3,000 | - | - | 9,152 | 17,564 | 17,564 |
| State sources | 22,434,986 | 23,019,141 | 23,019,141 | 1,286,408 | 1,544,320 | 1,544,320 | 23,721,394 | 24,563,461 | 24,563,461 |
| Federal sources | 1,675,168 | 2,374,329 | 2,374,329 | 1,122,779 | 1,067,480 | 1,067,480 | 2,797,947 | 3,441,809 | 3,441,809 |
| Other sources | 152,525 | 236,973 | 236,973 | - | - | - | 152,525 | 236,973 | 236,973 |
| Total revenues | 38,310,655 | 39,640,827 | 39,640,827 | 2,412,187 | 2,611,800 | 2,611,800 | 40,722,842 | 42,252,627 | 42,252,627 |
| Expenditures | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular instruction | 15,379,466 | 15,480,820 | 15,480,820 | - | - | - | 15,379,466 | 15,480,820 | 15,480,820 |
| Vocational instruction | 941,955 | 969,670 | 969,670 | - | - | - | 941,955 | 969,670 | 969,670 |
| Special instruction | - | - | - | 4,820,981 | 4,709,924 | 4,709,924 | 4,820,981 | 4,709,924 | 4,709,924 |
| Other instruction | 1,391,438 | 1,367,615 | 1,367,615 | 12,458 | 9,285 | 9,285 | 1,403,896 | 1,376,900 | 1,376,900 |
| Total instruction | 17,712,859 | 17,818,105 | 17,818,105 | 4,833,439 | 4,719,209 | 4,719,209 | 22,546,298 | 22,537,314 | 22,537,314 |
| Support services | | | | | | | | | |
| Pupil services | 1,467,370 | 923,497 | 923,497 | 566,672 | 576,220 | 576,220 | 2,034,042 | 1,499,717 | 1,499,717 |
| Instructional staff services | 1,611,668 | 1,885,494 | 1,885,494 | 370,831 | 288,686 | 288,686 | 1,982,499 | 2,174,180 | 2,174,180 |
| General administration services | 402,245 | 448,027 | 448,027 | - | - | - | 402,245 | 448,027 | 448,027 |
| Building administration services | 1,747,111 | 1,756,598 | 1,756,598 | - | - | - | 1,747,111 | 1,756,598 | 1,756,598 |
| Business administration services | 7,262,237 | 7,685,483 | 7,685,483 | 272,404 | 242,097 | 242,097 | 7,534,641 | 7,927,580 | 7,927,580 |
| Central services | 112,200 | 100,714 | 100,714 | 15,000 | 15,633 | 15,633 | 127,200 | 116,347 | 116,347 |
| Insurance | 337,759 | 388,437 | 388,437 | - | 1,300 | 1,300 | 337,759 | 389,737 | 389,737 |
| Principal and interest | 15,000 | 9,045 | 9,045 | - | - | - | 15,000 | 9,045 | 9,045 |
| Other support services | 2,205,374 | 1,019,400 | 1,019,400 | - | - | - | 2,205,374 | 1,019,400 | 1,019,400 |
| Total support services | 15,160,964 | 14,216,695 | 14,216,695 | 1,224,907 | 1,123,936 | 1,123,936 | 16,385,871 | 15,340,631 | 15,340,631 |
| Non-program services | 1,248,117 | 1,470,503 | 1,470,503 | 548,556 | 387,219 | 387,219 | 1,796,673 | 1,857,722 | 1,857,722 |
| Total expenditures | 34,121,940 | 33,505,303 | 33,505,303 | 6,606,902 | 6,230,364 | 6,230,364 | 40,728,842 | 39,735,667 | 39,735,667 |
| Excess of revenues over (under) expenditures | 4,188,715 | 6,135,524 | 6,135,524 | (4,194,715) | (3,618,564) | (3,618,564) | (6,000) | 2,516,960 | 2,516,960 |
| Other financing sources (uses) | | | | | | | | | |
| Proceeds from sale of fixed assets | 6,000 | 50,500 | 50,500 | - | - | - | 6,000 | 50,500 | 50,500 |
| Transfer from (to) other funds | (4,194,715) | (5,186,024) | (5,186,024) | 4,194,715 | 3,618,564 | 3,618,564 | - | (1,567,460) | (1,567,460) |
| | (4,188,715) | (5,135,524) | (5,135,524) | 4,194,715 | 3,618,564 | 3,618,564 | 6,000 | (1,516,960) | (1,516,960) |
| Net change in fund balance | - | 1,000,000 | 1,000,000 | - | - | - | - | 1,000,000 | 1,000,000 |
| Fund balance at July 1, 2020 | 5,021,384 | 5,021,384 | 5,021,384 | - | - | - | 5,021,384 | 5,021,384 | 5,021,384 |
| Fund balance at June 30, 2021 | \$ 5,021,384 | \$ 6,021,384 | \$ 6,021,384 | \$ - | \$ - | \$ - | \$ 5,021,384 | \$ 6,021,384 | \$ 6,021,384 |

Tomah Area School District
**RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
BUDGET AND ACTUAL
SPECIAL REVENUE TRUST FUND - FUND 21
Year ended June 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|------------------|------------|------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other local sources | \$ - | \$ 309,582 | \$ 309,582 | \$ - |
| Other sources | - | - | - | - |
| Total revenues | - | 309,582 | 309,582 | - |
| Expenditures | | | | |
| Instruction | | | | |
| Regular instruction | - | 15,463 | 15,463 | - |
| Other instruction | 1,000 | 184,190 | 184,190 | - |
| Total instruction | 1,000 | 199,653 | 199,653 | - |
| Support services | | | | |
| Pupil services | - | 12,500 | - | 12,500 |
| Instructional staff services | - | 8,241 | 20,741 | (12,500) |
| Building administration services | - | 482 | 482 | - |
| Business administration services | - | 49,543 | 49,543 | - |
| Other support services | - | 43,757 | - | 43,757 |
| Total support services | - | 114,523 | 70,766 | 43,757 |
| Non-program services | - | - | 43,757 | (43,757) |
| Total expenditures | 1,000 | 314,176 | 314,176 | - |
| Net change in fund balance | (1,000) | (4,594) | (4,594) | - |
| Fund balance at July 1, 2020 - as restated | 754,807 | 754,807 | 754,807 | - |
| Fund balance at June 30, 2021 | \$ 753,807 | \$ 750,213 | \$ 750,213 | \$ - |

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT TRUST FUND - FUND 46
Year ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Favorable (Unfavorable) |
|---------------------------------------|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other local sources | \$ - | \$ 1,047 | \$ 1,047 | \$ - |
| Total revenues | - | 1,047 | 1,047 | - |
| Other financing sources | | | | |
| Transfer from other funds | - | 1,567,460 | 1,567,460 | - |
| Net change in fund balance | - | 1,568,507 | 1,568,507 | - |
| Fund balance at July 1, 2020 | 563,440 | 563,440 | 563,440 | - |
| Fund balance at June 30, 2021 | <u>\$ 563,440</u> | <u>\$ 2,131,947</u> | <u>\$ 2,131,947</u> | <u>\$ -</u> |

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2021

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted each fiscal year for all funds in accordance with Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- A. Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- B. The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- C. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- D. Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- E. Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- F. Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.

NOTE 2 - BASIS OF ACCOUNTING

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the financial statements. There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes, the special education fund was budgeted separate from the general fund, but for GAAP, the two are combined.

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
Year ended June 30, 2021

NOTE 3 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The District had the following functions with excess of actual expenditures over budget for the year ended June 30, 2021:

| | |
|------------------------------|-----------|
| Special Revenue Trust Fund | |
| Instructional staff services | \$ 12,500 |

OTHER SUPPLEMENTARY INFORMATION

Tomah Area School District
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

| | Fund Number: | (39) | Special Revenue Fund (29) | |
|--|--------------|----------------------|---------------------------------|------------------|
| | | Debt Service Fund | Indian Education Fund | Total |
| Assets | | | | |
| Cash and investments | | \$ 89,901 | \$ - | \$ 89,901 |
| Total assets | | <u>\$ 89,901</u> | <u>\$ -</u> | <u>\$ 89,901</u> |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Due to other funds | | \$ - | \$ - | \$ - |
| Total liabilities | | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | |
| Restricted | | <u>89,901</u> | <u>-</u> | <u>89,901</u> |
| Total liabilities and fund balances | | <u>\$ 89,901</u> | <u>\$ -</u> | <u>\$ 89,901</u> |

Tomah Area School District
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**
Year ended June 30, 2021

| Fund Number: | (39) | <u>Special Revenue Fund</u> | <u>(29)</u> | Total |
|-----------------------------------|------------------------------|--------------------------------------|-------------|------------------|
| | <u>Debt Service Fund</u> | <u>Indian Education Fund</u> | | <u>Total</u> |
| Revenues | | | | |
| Other local sources | \$ 334 | \$ - | | \$ 334 |
| Federal sources | <u>-</u> | <u>32,699</u> | | <u>32,699</u> |
| Total revenues | 334 | 32,699 | | 33,033 |
| Expenditures | | | | |
| Support services | | | | |
| Pupil services | - | 32,699 | | 32,699 |
| Total expenditures | <u>-</u> | <u>32,699</u> | | <u>32,699</u> |
| Net change in fund balance | 334 | - | | 334 |
| Fund balance at July 1, 2020 | <u>89,567</u> | <u>-</u> | | <u>89,567</u> |
| Fund balance at June 30, 2021 | <u>\$ 89,901</u> | <u>\$ -</u> | | <u>\$ 89,901</u> |

Tomah Area School District
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
Year ended June 30, 2021

| | | |
|---------------------|----|-------------|
| Employee salaries | \$ | - |
| Employee benefits | | - |
| Purchased services | | - |
| Non-capital objects | | - |
| Capital objects | | - |
| Insurance | | - |
| | | <hr/> |
| | \$ | <hr/> <hr/> |

There are no current year charter school authorizer operating costs.

Tomah Area School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

| | Federal Catalog Number | Program or Award Number | Program or Award Amount | Receivable at July 1, 2020 | Expenditures | Revenues Grantor | Receivable at June 30, 2021 | Footnote |
|--|------------------------------|--------------------------------|-------------------------------|----------------------------------|------------------|---------------------|-----------------------------------|----------|
| United States Department of Agriculture | | | | | | | | |
| Passed through Wisconsin Department of Public Instruction | | | | | | | | |
| Food Distribution | 10.555 | | | | | | | |
| July 1, 2020 to June 30, 2021 | | UNKNOWN | N/A | \$ - | \$ 100,847 | \$ 100,847 | \$ - | 3 |
| Summer Food Service Program-COVID-19 | 10.559 | | | | | | | |
| March 1, 2019 to June 30, 2020 | | | N/A | 63,898 | - | 63,898 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-SFSP-566 | N/A | - | 1,276,334 | 1,203,715 | 72,619 | |
| Subtotal Child Nutrition Cluster | | | | <u>63,898</u> | <u>1,377,181</u> | <u>1,368,460</u> | <u>72,619</u> | |
| Fresh Fruits and Vegetables | 10.582 | | | | | | | |
| October 1, 2019 to June 30, 2020 | | | N/A | 3,525 | - | 3,525 | - | |
| October 1, 2020 to June 30, 2021 | | 2021-415747-DPI-FFVPOCTPUB-376 | 13,700 | - | 9,554 | 6,676 | 2,878 | |
| | | | | <u>3,525</u> | <u>9,554</u> | <u>10,201</u> | <u>2,878</u> | |
| Total United States Department of Agriculture | | | | 67,423 | 1,386,735 | 1,378,661 | 75,497 | |
| United States Department of Education | | | | | | | | |
| Passed through Wisconsin Department of Public Instruction | | | | | | | | |
| Title 1 Basic Grant | 84.010A | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 129,811 | - | 129,811 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-TIA-141 | \$ 671,999 | - | 659,713 | 535,636 | 124,077 | |
| Carl Perkins Vocational Education | 84.048 | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 13,635 | - | 13,635 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-CTE-400 | \$ 29,310 | - | 33,579 | 29,461 | 4,118 | |
| Special Education (IDEA) Cluster | | | | | | | | |
| PL 94-142 Idea Flow-Through | 84.027A | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 80,140 | - | 80,140 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-IDEA-FT-341 | \$ 893,631 | - | 802,830 | 558,508 | 244,322 | |
| PL 99-457 Pre-School Entitlement | 84.173A | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 930 | - | 930 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-IDEA-P-347 | \$ 26,934 | - | 20,744 | 9,655 | 11,089 | |
| Subtotal Special Education (IDEA) Cluster | | | | <u>81,070</u> | <u>823,574</u> | <u>649,233</u> | <u>255,411</u> | |
| Title IIA Teacher and Principal Training | 84.367A | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 56,097 | - | 56,097 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-TIIA-365 | \$ 142,851 | - | 120,930 | 77,456 | 43,474 | |
| Title IVA Student Support and Academic Enrichment | 84.424A | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 1,350 | - | 1,350 | - | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-TIV-A-381 | \$ 63,986 | - | 49,465 | 46,930 | 2,535 | |
| Elementary and Secondary School Emergency Relief Fund-COVID-19 | 84.425D | | | | | | | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-ESSERF-160 | \$ 510,940 | - | 545,447 | 442,757 | 102,690 | |
| Elementary and Secondary School Emergency Relief Fund II-COVID-19 | 84.425D | | | | | | | |
| July 1, 2020 to June 30, 2021 | | 2022-415747-DPI-ESSERFII-163 | \$ 1,104,980 | - | 274,196 | - | 274,196 | |
| Governor's Emergency Relief Fund-COVID-19 | 84.425C | | | | | | | |
| July 1, 2020 to June 30, 2021 | | 2021-415747-DPI-GEERF-162 | \$ 454,493 | - | 447,462 | 230,456 | 217,006 | |
| | | | | <u>-</u> | <u>1,267,105</u> | <u>673,213</u> | <u>593,892</u> | |
| Total passed through Wisconsin Department of Public Instruction | | | | 281,963 | 2,954,366 | 2,212,822 | 1,023,507 | |
| Passed through Cooperative Educational Service Agency #4 | | | | | | | | |
| Title III Grant | 84.365 | | | | | | | |
| July 1, 2020 to June 30, 2021 | | UNKNOWN | \$ 404 | - | 404 | - | 404 | |
| Total passed through Cooperative Educational Service Agency #4 | | | | - | 404 | - | 404 | |

Tomah Area School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 Year ended June 30, 2021

| | Federal Catalog Number | Program or Award Amount | Program or Award Amount | Receivable at July 1, 2020 | Expenditures | Revenues Grantor | Receivable at June 30, 2021 | Footnote |
|---|------------------------------|-------------------------------|-------------------------------|----------------------------------|--------------|---------------------|-----------------------------------|----------|
| United States Department of Education - Continued | | | | | | | | |
| Direct Programs | | | | | | | | |
| PL 81-874 Impact Aid | 84.041 | | | | | | | |
| July 1, 2020 to June 30, 2021 | | N/A | N/A | \$ - | \$ 171,459 | \$ 171,459 | \$ - | |
| | | | | - | 171,459 | 171,459 | - | |
| Indian Education Act | 84.060A | | | | | | | |
| July 1, 2020 to June 30, 2021 | | S060A201058 | \$ 32,699 | - | 32,699 | 32,699 | - | |
| Total direct programs | | | | - | 204,158 | 204,158 | - | |
| Total United States Department of Education | | | | 281,963 | 3,158,928 | 2,416,980 | 1,023,911 | |
| United States Department of Health and Human Services | | | | | | | | |
| Passed through State of Wisconsin Health Care | | | | | | | | |
| Financing Programs | | | | | | | | |
| Medicaid | 93.778 | | | | | | | |
| July 1, 2019 to June 30, 2020 | | | N/A | 883 | - | 883 | - | |
| July 1, 2020 to June 30, 2021 | | UNKNOWN | N/A | - | 318,311 | 311,911 | 6,400 | |
| Total United States Department of Health and Human Services | | | | 883 | 318,311 | 312,794 | 6,400 | |
| United States Department of Defense Education Activity (DoDEA) | | | | | | | | |
| Direct | | | | | | | | |
| Promoting K-12 Student Achievement at Military | | | | | | | | |
| Connected Schools | 12.556 | | | | | | | |
| September 28, 2018 to May 31, 2023 | | HE 1254-18-1-0014 | \$ 250,000 | 12,750 | 34,767 | 12,750 | 34,767 | |
| Total United States Department of Defence Education Activity | | | | 12,750 | 34,767 | 12,750 | 34,767 | |
| Total federal financial assistance | | | | \$ 363,019 | \$ 4,898,741 | \$ 4,121,185 | \$ 1,140,575 | |

- Note 1: This statement is prepared using the same basis of accounting as the District's financial statements. The District uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.
- Note 2: The amount shown as current year expenses represent the federal grant portion of the grant program costs that are aided by the grant. Entire program costs including other local revenues may be more than shown.
- Note 3: The amount of commodities reported on the schedule is the value of commodities received by the District in the current year and are priced as prescribed by the Wisconsin Department of Public Instruction.
- Note 4: The District does not use the 10% de minimis indirect rate. No indirect costs were used.
- Note 5: There are no subrecipients.

Tomah Area School District
SCHEDULE OF STATE FINANCIAL ASSISTANCE
 Year ended June 30, 2021

| | I.D. Number | Program or Award Amount | Receivable at July 1, 2020 | Expenditures | Revenue State Reimbursements | Receivable at June 30, 2021 |
|---|----------------|-------------------------------|----------------------------------|---------------|------------------------------------|-----------------------------------|
| WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT | | | | | | |
| Cost Reimbursement Programs - Non-major | | | | | | |
| Passed through CESA #4 | | | | | | |
| Youth Apprenticeship | | | | | | |
| | 445.107 | \$ 17,160 | \$ - | \$ 17,160 | \$ 17,160 | \$ - |
| July 1, 2020 to June 30, 2021 | | | | | | |
| WISCONSIN DEPARTMENT OF JUSTICE | | | | | | |
| School Safety Initiative (A) | | | | | | |
| | 455.206 | N/A | - | - | - | - |
| | | N/A | - | - | - | - |
| | | | - | - | - | - |
| July 1, 2018 to August 31, 2019 | | | | | | |
| July 1, 2018 to August 31, 2020 | | | | | | |
| Wisconsin Fast Forward | | | | | | |
| | 455.109 | \$ 123,100 | 3,367 | - | 3,367 | - |
| | | | 3,367 | - | 3,367 | - |
| July 1, 2019 to December 31, 2020 | | | | | | |
| WISCONSIN DEPARTMENT OF HEALTH SERVICES | | | | | | |
| WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION | | | | | | |
| Cost Reimbursement Programs - Non-major | | | | | | |
| Passed through Wisconsin Department of Public Instruction | | | | | | |
| Educator Effectiveness Grant | | | | | | |
| | 255.940 | \$ 23,760 | - | 23,760 | 23,760 | - |
| | | | | | | |
| July 1, 2020 to June 30, 2021 | | | | | | |
| Career and Technical Education Incentive | | | | | | |
| | 255.950 | \$ 33,501 | - | 33,501 | 33,501 | - |
| | | | | | | |
| July 1, 2020 to June 30, 2021 | | | | | | |
| Assessment of Reading Readiness | | | | | | |
| | 255.956 | \$ 5,711 | - | 5,711 | 5,711 | - |
| | | | - | 62,972 | 62,972 | - |
| Total direct | | | | | | |
| Passed through Sparta Area School District | | | | | | |
| Peer Review and Mentoring | | | | | | |
| | 255.301 | N/A | 1,042 | - | 1,042 | - |
| | | N/A | 1,721 | - | 1,721 | - |
| | | | 2,763 | 62,972 | 65,735 | - |
| Total Department of Public Instruction | | | | | | |
| | | | \$ 6,130 | \$ 80,132 | \$ 86,262 | \$ - |
| Entitlement Programs | | | | | | |
| Major State Programs | | | | | | |
| General Equalization | | | | | | |
| | 255.201 | | | \$ 19,854,267 | | |
| Handicapped Pupils and School Age Parents: | | | | | | |
| Internal District Programs | | | | | | |
| | 255.101 | | \$ 5,302,644 | 1,498,320 | | |
| Pupil Transportation | | | | | | |
| | 255.107 | | | 158,808 | | |
| Per Pupil Adjustment Aid | | | | | | |
| | 255.945 | | | 2,325,428 | | |
| Total major programs | | | | | | |
| | | | | \$ 23,836,823 | | |
| Non-major State Programs | | | | | | |
| High Cost Transportation Aid | | | | | | |
| | 255.947 | | | 288,953 | | |
| Special Education Transition | | | | | | |
| | 255.960 | | | 46,000 | | |
| State School Lunch Aid | | | | | | |
| | 255.102 | | | 13,035 | | |
| Common School Fund | | | | | | |
| | 255.103 | | | 143,844 | | |
| Supplemental Per Pupil Aid | | | | | | |
| | 255.245 | | | 9,524 | | |
| School Breakfast Program | | | | | | |
| | 255.344 | | | 4,862 | | |
| Total non-major programs | | | | | | |
| | | | | 506,218 | | |
| Total State Assistance | | | | | | |
| | | | | \$ 24,423,173 | | |

OTHER REPORTS



TOSTRUD
&

TEMP, S.C.
Certified Public Accountants

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Your Business Safety Net

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

Board of Education
Tomah Area School District
Tomah, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tomah Area School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

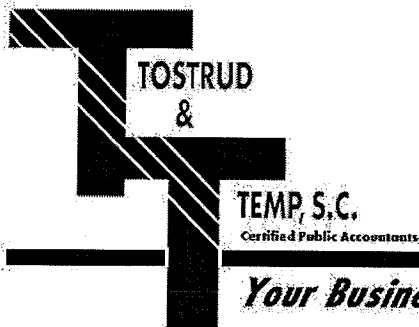
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Trostred + Kemp, S. C.

November 12, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND
WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Education
Tomah Area School District
Tomah, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the Tomah Area School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Wisconsin Single Audit Guidelines, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Rostrud + Temp, S.C.

November 12, 2021

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

Noncompliance material to the financial statements? yes no

Federal Awards

Internal control over compliance:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes no

Identification of major federal programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|--|
| 84.027, 84.173 | Special Education Cluster (IDEA) |
| 84.425 | Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act |
| 93.778 | Medicaid |

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? yes no

State Awards

Internal control over financial reporting:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? yes no

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended June 30, 2021

Section I - Summary of Auditor's Results - Continued

Identification of major state programs:

| <u>State ID Number</u> | <u>Name of State Program</u> |
|------------------------|--|
| 255.201 | General Equalization Aids |
| 255.101 | Special Education and School Age Parents Aid |
| 255.107 | Pupil Transportation Aid |
| 255.945 | Per Pupil Adjustment Aid |

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior Year Findings

None