

**SCHOOL DISTRICT OF MANAWA
FINANCE COMMITTEE MEETING
AGENDA**

Join with Google Meet

meet.google.com/wdf-bhzf-ttc

Join by phone

(US) +1 443-402-6675 PIN: 679 919 638#

Date: December 7, 2020

Time: 6:00 p.m.

Virtual Meeting

Board Committee Members: Scheller(C), J. Johnson, Pethke

In Attendance:

Timer: _____ **Recorder:** _____

1. Monthly Financial Summary - October (Information)
2. Consider Approval of SY2021 Fundraisers (Action)
3. Audit results summary (Information)
4. Salary Increases for Administrators (Action)
5. SY2021 Budget Forecast Summary
6. Finance Committee Planning Guide (Information / Action)
7. Next Finance Committee Meeting Date: _____
8. Next Finance Committee Items:
 - 1.
 - 2.
7. Adjourn

October 31, 2020

Monthly Financial Summary

	Revenues Month	Expenses Month	Revenues YTD	Expenses YTD	
Fund 10 - General	\$ 6,830.38	\$ 568,468.16	\$ 942,586.95	\$ 1,846,610.14	
Fund 27 - Special Education	\$ -	\$ 77,311.66	\$ -	\$ 188,133.70	
Fund 50 - Food Service	\$ 1,886.54	\$ 39,633.45	\$ 2,207.78	\$ 73,380.47	
Fund 80 - Community Fund	\$ 30.00	\$ 402.50	\$ 705.00	\$ 653.79	
			Interest Earnings to Date		Project Exp to Date
Fund 39/49 - Referendum (2018)	\$ 1,869.49	\$ 232,723.51	\$ 180,018.35	\$ 1,858,462.27	\$ 10,770,385.36
Demo Referendum Project	\$ -	\$ 8,540.96	\$ -	\$ 39,654.46	\$ 341,852.08
					\$ 23,147.92

Accounts	Balance	Interest Rate
General Checking	\$ 1,102,544.29	0.132%
General Money Market	\$ 5,172.63	0.019%
ADM Investment Savings	\$ 150,752.68	0.120%
Student Activity Account	\$ 121,935.10	0.070%
OPEB	\$ 263,012.96	
Fund 46 - Savings	\$ 200,200.50	
		\$ 302.85 Change in Value from January

Grants Fund 10	Allocation	Carryover	Total	Claimed to Date	Outstanding Revenue
Carl Perkins (Tech. Ed)	\$ 6,007.00	\$ 1,796.25	\$ 7,803.25		\$ 7,803.25
GEER Fund	\$ 91,594.00	\$ -	\$ 91,594.00		\$ 91,594.00
Title I - Public (Reading/Math)	\$ 83,392.21	\$ 5,364.06	\$ 88,756.27		\$ 88,756.27
Title I - Private (Reading/Math)	\$ 28,293.79	\$ 26,665.84	\$ 54,959.63		\$ 54,959.63
Title II - Public (Professional Dev.)	\$ 24,689.00	\$ 22,155.38	\$ 46,844.38		\$ 46,844.38
Title IV (Stud. Support & Enrich.)	\$ 10,000.00	\$ 6,180.88	\$ 16,180.88		\$ 16,180.88
Fund 27					
Flow Through (SPED)	\$ 178,320.00	\$ 9,426.72	\$ 187,746.72		\$ 187,746.72
Preschool (Early Childhood)	\$ 8,122.00	\$ 21.10	\$ 8,143.10		\$ 8,143.10

Revenues	Budgeted	Collected to Date	Outstanding	2019-20
Property Taxes	\$ 2,660,335.00		\$ 2,660,335.00	\$ 3,000,000.00
Mobile Home Tax	\$ 1,200.00	\$ 892.45	\$ 307.55	\$ 9,016.91
Athletic Event Admission	\$ -	\$ 120.50	\$ (120.50)	\$ 16,548.60
Open Enrollment In	\$ 121,875.00		\$ 121,875.00	\$ 188,855.00
Transportation Aid	\$ 20,000.00		\$ 20,000.00	\$ 20,983.20
Equalization Aid	\$ 4,451,438.00	\$ 639,344.00	\$ 3,812,094.00	\$ 4,323,683.00
Sparsity Aid	\$ 272,561.00	\$ 258,933.00	\$ 13,628.00	\$ 283,894.00
Per Pupil Aid	\$ 509,754.00		\$ 509,754.00	\$ 523,852.00
High-Cost Transportation Aid	\$ 30,000.00		\$ 30,000.00	\$ 47,830.89

Fund 10 Expenses	2019-20 FY Activity	2020-21 Budget	2020-21 FYTD Activity	Percent Expended to Date	Unexpended Balance
Salaries	\$ 3,468,039.37	\$ 3,366,439.00	\$ 790,285.77	23.48%	\$ 2,576,153.23
Benefits	\$ 1,456,267.10	\$ 1,486,084.00	\$ 343,942.09	23.14%	\$ 1,142,141.91
Purchased Services	\$ 2,362,672.87	\$ 2,427,784.00	\$ 351,463.66	14.48%	\$ 2,076,320.34
Non-Capital Objects	\$ 183,772.05	\$ 339,001.00	\$ 121,012.61	35.70%	\$ 217,988.39
Capital Objects	\$ 165,070.36	\$ 131,525.00	\$ 108,416.45	82.43%	\$ 23,108.55
Debt Retirement	\$ -	\$ 1,200.00	\$ -		\$ 1,200.00
Insurance & Judgments	\$ 103,094.51	\$ 124,186.00	\$ 119,730.11	96.41%	\$ 4,455.89
Transfers (i.e. to Fund 27)	\$ 681,640.24	\$ 648,420.00	\$ -	0.00%	\$ 648,420.00
Other (Dues & Fees)	\$ 29,754.72	\$ 120,706.00	\$ 11,759.45	9.74%	\$ 108,946.55
TOTAL	\$ 8,450,311.22	\$ 8,645,345.00	\$ 1,846,610.14	21.36%	\$ 6,798,734.86

Fund 50 - Revenues	Monthly Total	2020-21 FYTD	2019-20 FYTD
MES Sales	\$ -	\$ -	\$ -
HS Sales	\$ -	\$ -	\$ -
Catering	\$ -	\$ 321.24	\$ -
Aid	\$ 1,886.54	\$ 1,886.54	\$ -
Total	\$ 1,886.54	\$ 2,207.78	\$ -
Fund 50- Expenses			
Salaries	\$ 11,943.05	\$ 25,111.25	\$ 31,522.92
Benefits	\$ 3,854.53	\$ 12,410.68	\$ 12,799.67
Purchased Services	\$ -	\$ -	\$ -
Repair/Maintenance	\$ 195.00	\$ 285.87	\$ 1,493.85
Operational Services	\$ -	\$ 385.22	\$ 1,127.68
Employee Travel	\$ -	\$ -	\$ -
Fuel - Vehicle	\$ -	\$ 35.83	\$ 45.00
Commodity Charges	\$ 1,295.88	\$ 1,295.88	\$ 1,093.06
Central Supply	\$ 1,551.73	\$ 2,748.71	\$ 1,093.06
Food	\$ 10,739.22	\$ 21,052.99	\$ 15,503.74
Capital Equipment	\$ 10,054.04	\$ 10,054.04	\$ -
Other Non-Capital Objects	\$ -	\$ -	\$ -
Total	\$ 39,633.45	\$ 73,380.47	\$ 64,678.98
Fund Balance			



School District of Manawa

Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 12/4/2020
Re: 2019-20 Audit Results Summary

The 2019-20 School District of Manawa financial report for the fiscal year ending June 30, 2020 was completed on November 16, 2020. The full report is part of this packet.

The following table indicates findings I would like to bring to the Board of Education's attention.

Page	Section	Information to Note
8	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	Revenues = \$9,161,293 Expenditures = \$8,712,948 June 30, 2020 Fund Balance = \$2,267,688 (includes \$15,550 in Common School Funds – library)
23	Notes to Financial Statements Note 6: Long-term Obligations	Outlines the debt payments for the referendum for the next 20 years. It will cost the District, over 20 years, a little over \$4 million in interest on the \$12 million borrowed.
24	Notes to Financial Statements Note 8: Fund Balance	The amount of unassigned fund balance was \$2,252,138 for June 30, 2020. This is 25.8% of 2019-20 expenditures. 2020-21 Budgeted Expenses = \$8,645,345, this is 26.0% of these expenditures. I recommend keeping the June fund balance at 22% of General Fund expenditures to avoid short-term borrowing.
34	Notes to the Budgetary Comparison Schedule – General Fund Note 2: Budgetary Comparisons	Net change in the fund balance was +\$248,345. In other words, the District underspent the budget by \$248,345.
38	Letter to the BOE – Internal Control Over Financial Reporting	The last paragraph states, No findings considered material weaknesses Two findings considered significant deficiencies (2020-001 and 2020-002).
41	Letter to the BOE – Report on Internal Control Over Compliance	The second to the last paragraph states that the audit did not identify any deficiencies in internal control.
45	Schedule of Findings and Questioned Costs	Significant Deficiencies were identified - yes
46	Schedule of Findings and Questioned Costs	Significant Deficiencies listed and explained 2020-001: Segregation of Duties 2020-002: Financial Accounting and Reporting

School District of Manawa

800 Beech Street
Manawa, WI 54949

Phone: (920) 596-2525
Fax: (920) 596-5308

Little Wolf High School

Manawa Middle School

515 E. Fourth St
Manawa, WI 54949

Phone: (920) 596-2524
Fax: (920) 596-2655

Manawa Elementary

800 Beech Street
Manawa, WI 54949

Phone: (920) 596-2238
Fax: (920) 596-5339

ManawaSchools.org



/ ManawaSchools



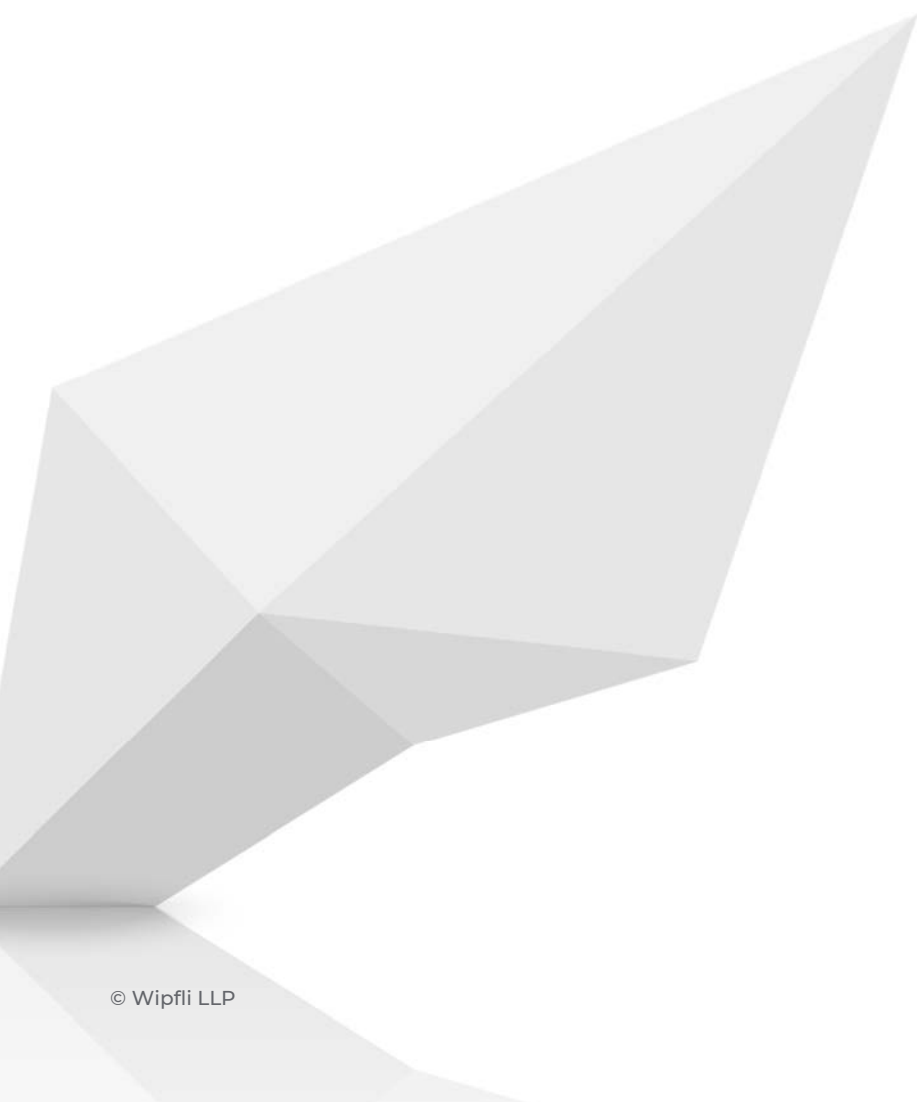
/ ManawaSchools

School District of Manawa

Manawa, Wisconsin

Financial Report

Year Ended June 30, 2020



School District of Manawa
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2020

Table of Contents

Independent Auditor's Report.....1

Basic Financial Statements

 Government-Wide Financial Statements

 Statement of Net Position.....4

 Statement of Activities.....5

 Fund Financial Statements

 Balance Sheet - Governmental Funds.....6

 Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position.....7

 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....8

 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities.....9

 Statement of Fiduciary Net Position.....10

 Statement of Changes in Fiduciary Net Position.....11

 Notes to Financial Statements.....12

Required Supplementary Information

 Budgetary Comparison Schedule - General Fund.....32

 Notes to Budgetary Comparison Schedule - General Fund.....33

 Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.....35

Supplementary Financial Information

 Combining Balance Sheet - Nonmajor Governmental Funds.....36

 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....37

Other Reports

 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....38

 Independent Auditor's Report on Compliance for Each Major State Program and Internal Control Over Compliance Required by the Wisconsin Public School District Audit Manual.....40

 Schedule of Federal Awards.....42

 Schedule of State Financial Assistance.....43

 Notes to the Schedules of Federal Awards and State Financial Assistance.....44

 Schedule of Findings and Questioned Costs.....45

 Summary Schedule of Prior Year Findings and Questioned Costs.....48

Independent Auditor's Report

Board of Education
School District of Manawa
Manawa, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Manawa (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Manawa, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System on pages 32 through 35 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, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary financial information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Wisconsin Public School District Audit Manual, issued by the Wisconsin Department of Public Instruction, and are also not a required part of the basic financial statements. The supplementary financial information and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplemental financial information and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of the School District of Manawa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin

November 16, 2020

Government-Wide Financial Statements

School District of Manawa
Statement of Net Position
June 30, 2020

<i>Assets and Deferred Outflows of Resources</i>	Governmental Activities
Current assets:	
Cash and investments	\$ 6,082,998
Receivables:	
Accounts	3,214
Taxes	1,043,764
Due from other governments	434,371
Inventory	7,864
Total current assets	7,572,211
Noncurrent assets:	
Restricted net pension asset	814,254
Capital assets not being depreciated	9,041,923
Capital assets being depreciated, net	5,568,486
Total capital assets, net	14,610,409
Total assets	22,996,874
Deferred outflows of resources - Related to pensions	1,766,369
Total assets and deferred outflows of resources	\$ 24,763,243
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable	\$ 877,423
Accrued expenses	552,310
Accrued interest	123,458
Unearned revenue	8,142
Current portion of long-term obligations	597,237
Total current liabilities	2,158,570
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	11,407,123
Total liabilities	13,565,693
Deferred inflows of resources - Related to pensions	2,440,253
Net position:	
Net investment in capital assets	6,051,163
Restricted	4,572,994
Unrestricted	(1,866,860)
Total net position	8,757,297
Total liabilities, deferred inflows of resources, and net position	\$ 24,763,243

See accompanying notes to the financial statements.

School District of Manawa

Statement of Activities

Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ (1)*+,-..	\$ 0,-)0**	\$,--)**1	\$ (3,232,677)
Vocational instruction	0+-)-0*	4	4	(294,425)
Special education instruction	201)+05	*(+)(0	-,0)*25	(260,418)
Other instruction	-,.)5-0	,1)*-+	+)5-(	(392,450)
Total instruction	*)5(5).2*	0.-)2(1	*11),1+	(4,179,970)
Support services:				
Pupil services	(55)2((	4	4	(300,733)
Instructional staff services	-*0)2,2	4	(+)510	(413,655)
General administration services	(.2)20*	4	4	(387,725)
Building administration services	-0,)5*5	4	4	(421,050)
Business services	0)(-2)152	,,,)5(2	0.+)+..	(1,946,582)
Central services	2,)+++	4	4	(71,999)
Insurance	,5()5+*	4	4	(103,095)
Other support services	0+5)2-*	4	4	(290,745)
Community services	(1)(22	+55	4	(35,477)
Interest	,,)52+	4	4	(181,079)
Total support services	-)*+(),02	,,,)+2	(0+)5*5	(4,152,140)
Total school district	\$ +)10-)550	\$ (+1)12(	\$ .+*)0,+	(8,332,110)
General revenues:				
Property taxes:				
General purposes				()555)555
Debt service				*5-)2,1
Community service				(5)555
Mobile home taxes				+)5,2
State and federal aids not restricted to specific functions				*) ,2-) +5(
Interest and investment earnings				,,) -)101
Miscellaneous				+)1.(
Total general revenues				.) -)0)+-*
Change in net position				* ,5).(*
Net position - Beginning of year				.)0-1)-10
Net position - End of year				\$.)2*2)0+2

See accompanying notes to the financial statements.

Fund Financial Statements

School District of Manawa
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 1,622,411	\$ 4,041,086	\$ 419,501	\$ 6,082,998
Receivables:				
Accounts	2,893		321	3,214
Taxes	1,043,764			1,043,764
Due from other governments	432,093		2,278	434,371
Due from other funds		150,000		150,000
Inventory			7,864	7,864
Total assets	\$ 3,101,161	\$ 4,191,086	\$ 429,964	\$ 7,722,211
Liabilities:				
Accounts payable	\$ 131,163	\$ 745,972	\$ 8,142	\$ 877,423
Accrued salaries and wages	552,310			552,310
Due to other funds	150,000			150,000
Unearned revenue			8,142	8,142
Total liabilities	833,473	745,972	8,430	1,587,875
Fund balances:				
Nonspendable			7,864	7,864
Restricted	15,550	3,445,114	413,670	3,874,334
Unassigned	2,252,138			2,252,138
Total fund balances	2,267,688	3,445,114	421,534	6,134,336
Total liabilities and fund balances	\$ 3,101,161	\$ 4,191,086	\$ 429,964	\$ 7,722,211

See accompanying notes to the financial statements.

School District of Manawa
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Total fund balances - Governmental funds	\$	6,134,336
--	----	-----------

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

Governmental capital assets	\$	22,213,835
Governmental accumulated depreciation	(7,603,426)	14,610,409

The net pension asset and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position:

Net pension asset	814,254	
Deferred outflows of resources related to pensions	1,766,369	
Deferred inflows of resources related to pensions	(2,440,253)	140,370

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

Bonds and notes payable, including unamortized premiums	(12,004,360)	
Accrued interest	(123,458)	(12,127,818)

Total net position - Governmental activities	\$	8,757,297
--	----	-----------

See accompanying notes to the financial statements.

School District of Manawa
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,000,000	\$	\$ 534,716	\$ 3,534,716
Local sources	)')\$%	*+ '%&	&+& *+)	301,446
Interdistrict sources	+)\$+ %)%			+)\$+ %)%
Intermediate sources	34,566			34,566
State sources	# \$#) #)%		% %%	5,466,361
Federal sources	329,600		+&# '%)	#\$\$+ %)
Other sources	) *!'		%%'	9,683
Total revenues	9,161,293	*+ '%&	880,873	10,134,837
Expenditures:				
Instruction:				
Regular instruction	3,580,743		3,748	3,584,491
Vocational instruction	291,530		*%	+*& '+%
Special education	720,233			720,233
Other instruction	410,631		3,820	\$\$ \$#&
Total instruction	5,003,137		% '#	# !&!)!+
Support services:				
Pupil services	293,945		\$ '!'	+*) #\$\$
Instructional staff services	\$\$* *!'			\$\$* *!'
General administration services	384,837			384,837
Building administration services	\$&% !*+			\$&% !*+
Business services	1,698,349	% *&* &'+	316,165	9,933,676
Central services	%&)\$+		&!#	%& *\$&
Insurance	103,095			103,095
Other support services	+*! %\$#			+*! %\$#
Total support services	3,709,811	% *&* &'+	320,870	11,949,843
Community services			36,137	36,137
Debt service:				
Principal			&# !!!	&# !!!
Interest			++' &\$*	++' &\$*
Total debt service			\$&& &\$	\$&& &\$
Total expenditures	) %&+ *\$)	% *&* &'+	%%# )+&	17,407,931
Excess of revenues over (under) expenditures	448,345	7%)+' \$*&&	&!# !#+	(7,273,094)
Other financing sources				
Issurance of debt		\$ #!!!		\$ #!!!
Debt premium			199,360	199,360
Transfers in/out	7+!! !!!8	+!! !!!		
Total other financing sources	7+!! !!!8	\$ #!!!	199,360	4,699,360
Net change in fund balances	248,345	(3,126,491)	304,412	(2,573,734)
Fund balances - Beginning of year	2,019,343	' #&& !#	&&% &+) %!) !%
Fund balances - End of year	\$ ++'% '))	\$ 3,445,114	\$ 421,534	\$ 6,134,336

See accompanying notes to the financial statements.

School District of Manawa

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June 30, 2020

Net change in fund balances - Governmental funds (from previous page) " (2,573,734)

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

The acquisition of capital assets is reported in the governmental funds as 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 expense in the statement of activities.

Capital outlays reported in governmental fund statements	" 7,971,351
Depreciation expense reported in the statement of activities	(379,835)

Amount by which capital outlays are more than depreciation in the current year 7,591,516

Vested employee benefits are reported in the governmental funds when amounts are paid.
The statement of activities reports the value of benefits earned during the year. (37,657)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt proceeds received in the current year	(4,500,000)
The amount of long-term debt premiums received in the current year	(199,360)
The amount of long-term debt principal payments in the current year	185,000
Change in accrued interest	45,070

Change in net position - Governmental activities \$ 510,835

See accompanying notes to the financial statements.

School District of Manawa
Statement of Fiduciary Net Position
June 30, 2020

	Agency Fund	Private-Purpose Trust	Employee Benefit Trust
Assets:			
Cash and investments	& !"#\$\$%	\$ ('"\$))	\$!)"# !
Liabilities:			
Due to student organizations	!)"#\$\$%	-	-
Net position - Restricted	-	('"\$))	!)"# !
Total liabilities and net position	& !"#\$\$%	\$ ('"\$))	\$!)"# !

See accompanying notes to the financial statements.

School District of Manawa
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

	Private-Purpose Trust	Employee Benefit Trust
Additions:		
Private donations	\$ 37,751	\$ -
Interest and dividend income	#5%	8,461
Total additions	38,677	8,461
Deductions:		
Scholarships awarded	39,120	-
Employee benefit payments	-	1,150
Total deductions	39,120	1,150
Change in net position	(443)	7,311
Net position - Beginning of year	68,298	248,001
Net position - End of year	\$ 67,855	\$ 255,312

See accompanying notes to the financial statements.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The School District of Manawa was established on October 25, 1962 as a unified school district. The District, governed by a seven-member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or part of 10 taxing districts.

This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Fund Financial Statements

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

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities.
- Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District accounts for assets held as an agent for various student and parent organizations in an agency fund.

The District accounts for assets held that were accumulated from donations that are used to pay scholarships in the Private-Purpose Trust Funds.

The District accounts for assets accumulated from employer contributions used to pay for postemployment benefits in the Employee Benefit Trust Funds.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Long-term Capital Improvement Fund and the Trust and Agency Funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

Donations to the District of securities or other property are 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.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Receivables and Payables

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Inventory

Inventories, consisting of food, are valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or market. Inventories

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 50

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

years for land improvements and buildings and 5 to 25 years for equipment. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Unearned Revenue

Unearned revenue consists of money received related to food deposits that have not been earned.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Pension Benefits

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 Systems (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.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education - the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. All property taxes are considered due on January 1 when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Note 2: Stewardship and Accountability

Limitation on School District Revenues

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

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

School District of Manawa

Notes to Financial Statements

Note 3: Cash and Investments

The District's cash and investment balances at June 30, 2020 were as follows:

	Amount	Fair Value Level
Deposits at financial institutions	\$ 6,262,092	N/A
Investments:		
Money market funds	7,673	Level 1
Mutual funds - equity	124,797	Level 1
Mutual funds - fixed income	122,842	Level 1
Petty cash	1,150	N/A
Total	\$ 6,518,554	

The District's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position		
Cash and investments	\$	6,082,998
Fiduciary fund statement of net position		
Cash and investments		435,556
Total	\$	6,518,554

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2020, the District had a bank balance of \$6,320,966 of which \$5,085,822 was covered by federal and state depository insurance and the remaining balance of \$1,235,144 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of fixed income securities to not more than seven years.

Credit Risk: State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have a formal policy to address credit risk, but the risk is mitigated by the fact that the District is not invested in any individual securities and is invested in index funds, which allow for a more diversified portfolio. The District's fixed income and equity mutual funds and money market funds are not rated.

School District of Manawa

Notes to Financial Statements

Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2020, are as follows:

Due From:	Due To: Capital Projects Fund
General Fund	\$ 150,000
Totals	\$ 150,000

The purpose for interfund receivable and payable balances is to fund the District's long-term Capital Improvement Fund.

Interfund transfers at June 30, 2020, were as follows:

Transfer From:	Transfer To: Capital Projects Fund
General Fund	\$ 200,000
Total	\$ 200,000

The purpose for the interfund transfer to the Capital Projects Fund is to fund the District's long-term Capital Improvement Fund.

School District of Manawa

Notes to Financial Statements

Note 5: Capital Assets

Capital asset balances and activity for the year ended June 30, 2020, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 130,000	\$ -	\$ -	\$ 130,000
Construction in progress	996,741	7,915,182	-	8,911,923
Total capital assets not being depreciated	1,126,741	7,915,182	-	9,041,923
Capital assets being depreciated:				
Land improvements	732,280	-	-	732,280
Buildings and improvements	11,279,952	-	-	11,279,952
Equipment	1,103,511	56,169	-	1,159,680
Total capital assets being depreciated	13,115,743	56,169	-	13,171,912
Less accumulated depreciation for:				
Land improvements	(378,345)	(29,173)	-	(407,518)
Buildings and improvements	(6,115,897)	(259,676)	-	(6,375,573)
Equipment	(729,349)	(90,986)	-	(820,335)
Total accumulated depreciation	(7,223,591)	(379,835)	-	(7,603,426)
Total capital assets, being depreciated - Net of accumulated depreciation	5,892,152	(323,666)	-	5,568,486
Governmental activities capital assets - Net	\$ 7,018,893	\$ 7,591,516	\$ -	\$ 14,610,409

Depreciation expense was charged to governmental activities as follows:

Business services	<u>\$ 379,835</u>
Total depreciation for governmental activities	<u><u>\$ 379,835</u></u>

School District of Manawa

Notes to Financial Statements

Note 6: Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20	Amounts Due Within One Year
Bonds	\$ 7,490,000	\$ -	\$ 185,000	\$ 7,305,000	\$ -
Notes	-	4,500,000	-	4,500,000	555,000
Plus deferred amounts:					
Premium	-	199,360	-	199,360	42,237
Subtotals	7,490,000	4,699,360	185,000	12,004,360	597,237
Compensated absences	19,508	-	19,508	-	-
Net Pension Liability - WRS	925,728	-	925,728	-	-
Totals	\$ 8,435,236	\$ 4,699,360	\$ 1,130,236	\$ 12,004,360	\$ 597,237

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2020, is comprised of the following individual issues:

	Governmental Activities			Balance 06/30/20
	Issue Dates	Interest Rates %	Final Maturity	
GO Promissory Notes	03/03/20	2.00-3.00%	3/01/2029	\$ 4,500,000
GO Refunding Bonds	05/22/19	3.00-4.00%	3/01/2039	7,305,000
Total general obligation debt*				\$ 11,805,000

The 2019 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$379,604,161. The legal debt limit and margin of indebtedness as of June 30, 2020, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (10% of \$379,604,161)	\$ 37,960,416
Deduct:	
Long-term debt applicable to debt margin	\$ (11,805,000)
Add:	
Debt service fund assets available	302,898 (11,502,102)
Margin of indebtedness	\$ 26,458,314

School District of Manawa

Notes to Financial Statements

Note 6: Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2020, are as follows:

Governmental Activities Year Ended June 30:	Principal	Interest	Totals
2021	\$ 555,000	\$ 372,087	\$ 927,087
2022	460,000	356,134	816,134
2023	475,000	342,334	817,334
2024	490,000	328,084	818,084
2025	505,000	313,384	818,384
2026-2030	2,770,000	1,344,420	4,114,420
2031-2035	3,405,000	830,570	4,235,570
2036-2039	3,145,000	243,336	3,388,336
Totals	\$ 11,805,000	\$ 4,130,349	\$ 15,935,349

Note 7: Net Position

Net position reported on the government wide statement of net position at June 30, 2020:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	\$ 9,041,923
Other capital assets, net of accumulated depreciation	5,568,486
Less: related long-term debt outstanding	(8,559,246)
Total net investment in capital assets	6,051,163
Restricted:	
Net pension asset	814,254
Common school fund	15,550
Debt service	179,440
Capital projects	3,445,114
Donation & student activities	42,726
Food service	70,781
Community services	5,129
Total restricted	4,572,994
Unrestricted	(1,866,860)
Governmental activities net position	\$ 8,757,297

School District of Manawa

Notes to Financial Statements

Note 8: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2020:

Nonspendable Fund Balance

Inventory:

Food Service	\$ 7,864
<hr/>	
Total nonspendable fund balance	\$ 7,864
<hr/> <hr/>	

Restricted Fund Balance

Common school fund	\$ 15,550
Debt service	302,898
Capital projects	3,445,114
Donation & student activities	42,726
Food service	62,917
Community services	5,129
<hr/>	
Total restricted fund balance	\$ 3,874,334
<hr/> <hr/>	

Unassigned Fund Balance

General Fund	\$ 2,252,138
<hr/>	
Total unassigned fund balance	\$ 2,252,138
<hr/> <hr/>	

Note 9: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0 %
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)%

Contributions

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

During the reporting period, the WRS recognized \$257,334 in contributions from the employer.

Contribution rates as of June 30, 2020, are as follows:

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

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

At June 30, 2020, the District reported an asset of \$814,254 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was 0.02525245%, which was a decrease of 0.00076806% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$314,499.

At June 30, 2020, 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	\$ 1,545,640	\$ 773,489
Net differences between projected and actual earnings on pension plan investments	-	1,664,626
Change in assumptions	63,452	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,674	2,138
Employer contributions subsequent to the measurement date	151,603	-
Total	\$ 1,766,369	\$ 2,440,253

\$151,603 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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
2021	\$ (243,588)
2022	(182,672)
2023	29,341
2024	(428,568)

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2019

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	49.0%	8.0%	5.1%
Fixed income	24.5%	4.9%	2.1%
Inflation sensitive assets	15.5%	4.0%	1.2%
Real estate	9.0%	6.3%	3.5%
Private equity/debt	8.0%	10.6%	7.6%
Multi-asset	4.0%	6.9%	4.0%
Total core fund	110.0%	7.5%	4.6%
Variable fund:			
U.S. equities	70.0%	7.5%	4.6%
International equities	30.0%	8.2%	5.3%
Total variable fund	100.0%	7.8%	4.9%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%

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 2.75% (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, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

School District of Manawa

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (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 calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 2,906,850	\$ (814,254)	\$ (2,990,639)

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

At June 30, 2020, the District reported a payable of \$21,463 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

Note 10: Other Postemployment Benefits

The District has evaluated its potential other postemployment benefits liability. The District offers HRA payments and continued health insurance coverage at the active employer rate to all eligible employees, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, few former employees have chosen to stay in the District's health insurance plan. Therefore, there has been little utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2020.

Note 11: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2020.

School District of Manawa

Notes to Financial Statements

Note 12: Short-Term Notes Payable

The District had a \$1,000,000 line of credit with Premier Community Bank, which was issued on October 31, 2019, and matured on November 1, 2020. The line of credit had a fixed interest rate of 3%. The District did not use the line of credit during the year.

Note 13: Construction Commitments

During the prior year, the District had entered into contracts with Hoffman Planning Design & Construction Inc., for building improvements. Approximately \$3.9 million remains unspent under the contract at June 30, 2020.

Note 14: Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the District has not suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the District cannot be reasonably estimated at this time.

Required Supplementary Information

School District of Manawa
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual on Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 0
Other local sources	100,000	100,000	100,000	0
Interdistrict sources	100,000	100,000	100,000	0
Intermediate sources	0	0	0	0
State sources	1,000,000	1,000,000	1,000,000	0
Federal sources	0	0	0	0
Other sources	0	0	0	0
Total revenues	2,300,000	2,300,000	2,300,000	0
Expenditures:				
Instruction:				
Regular instruction	1,800,000	1,800,000	1,800,000	0
Vocational instruction	100,000	100,000	100,000	0
Other instruction	100,000	100,000	100,000	0
Total instruction	2,000,000	2,000,000	2,000,000	0
Support services:				
Pupil services	1,000,000	1,000,000	1,000,000	0
Instructional staff services	100,000	100,000	100,000	0
General administration services	100,000	100,000	100,000	0
Building administration services	100,000	100,000	100,000	0
Business services	100,000	100,000	100,000	0
Central services	100,000	100,000	100,000	0
Insurance	100,000	100,000	100,000	0
Other support services	100,000	100,000	100,000	0
Total support services	1,300,000	1,300,000	1,300,000	0
Debt service	0	0	0	0
Total expenditures	2,300,000	2,300,000	2,300,000	0
Excess of revenues over (under) expenditures	0	0	0	0
Other financing sources (uses):				
Transfers in	0	0	0	0
Transfers out	(100,000)	(100,000)	(100,000)	(100,000)
Net other financing sources (uses)	(100,000)	(100,000)	(100,000)	(100,000)
Net change in fund balance	0	0	0	0
Fund balance - Beginning of year	1,000,000	1,000,000	1,000,000	0
Fund balance - End of year	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0

See accompanying notes to budgetary comparison schedule.

School District of Manawa

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI). The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

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

Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

School District of Manawa

Notes to the Budgetary Comparison Schedule - General Fund (Continued)

Note 2: Budgetary Comparisons

GAAP requires a budgetary comparison for the General Fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The "actual on a budgetary basis" excludes the revenues, expenditures, and other financing sources/(uses) of the special education fund, which is treated as a special revenue fund for budgetary purposes. The following schedule reconciles the "budgetary basis" revenues and expenditures of the *budgetary comparison schedule - general fund* to the *governmental funds - statement of revenues, expenditures, and changes in fund balances*:

	General Fund		
	Actual on Budgetary Basis	Special Education Fund	General Fund Actual on GAAP Basis
Revenues	\$ 8,694,791	\$ 466,502	\$ 9,161,293
Expenditures	(7,764,806)	(948,142)	(8,712,948)
Other financing sources (uses)	(681,640)	481,640	(200,000)
Net change in fund balance	\$ 248,345	\$ -	\$ 248,345

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over Budget
Vocational instruction	\$ 263,644	\$ 291,530	\$ 27,886
Other instruction	408,992	410,631	1,639
Pupil services	191,511	209,989	18,478
General administration services	376,453	384,837	8,384
Building administration services	402,772	417,092	14,320

School District of Manawa

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

Last 10 Years*

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

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.02525245 %	\$ (814,254)	\$ 3,974,014	(20.49)%	102.96 %
2018	0.02602051	925,728	3,897,692	23.75	96.45
2017	0.02685031	(797,217)	3,801,313	(20.97)	102.93
2016	0.02765534	227,946	3,930,400	5.80	99.12
2015	0.02801930	455,308	3,953,136	11.52	98.20
2014	0.02850723	(700,023)	3,910,781	(17.90)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2020	\$ 257,334	\$ 257,334	\$ -	\$ 3,859,615	6.67 %
2019	261,145	261,145	-	3,950,519	6.61
2018	258,490	258,490	-	3,848,157	6.72
2017	259,407	259,407	-	3,854,487	6.73
2016	268,814	268,814	-	3,884,595	6.92
2015	273,756	273,756	-	4,037,699	6.78

Notes to the Schedules:

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

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

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

See Independent Auditor's Report.

Supplementary Financial Information

School District of Manawa
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2020

	Donation Fund	Debt Service Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 40,736			\$ )!*&(	\$ 419,501
Accounts receivable	+	+	#&*	+	#&*
Due from other governments	&!&""	+	+	+	&!&""
Inventory	+	+	7,864	+	7,864
Total assets	\$ 43,014	%# &!('	%""!(&#	%)!*&(	\$429,964
Liabilities:					
Accounts payable	\$ &''	\$ +	\$ +	\$ +	\$ &''
Unearned revenue	+	+	8,142	+	8,142
Total liabilities	&''	+	8,142	+	8,430
Fund balances:					
Nonspendable	+	+	7,864	+	7,864
Restricted	42,726	# &!('	\$&!(*''	)!*&(	413,670
Total fund balances	42,726	# &!('	" !""*	)!*&(	421,534
Total liabilities and fund balance	\$ 43,014	%# &!('	%""!(&#	\$ )!*&(	\$ 429,964

See Independent Auditor's Report

School District of Manawa
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2020

	Donation Fund	Debt Service Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	\$	\$	\$	\$	\$
Local sources	,&)-#	*\$)	(((&\$*'	,,\$	(.&,-
State sources	.&.'-	!	#&%,)	!	'&'%
Federal sources	!	!	.(#&)'-	!	.(#&)'-
Other sources	!	!	'''	!	'''
Total revenues	((&)*	#\$#&\$..	**.&,-	*\$&,\$	--\$&'*
Expenditures:					
Instruction:					
Regular instruction	*&'%-	!	!	!	*&'%-
Vocational instruction	,	!	!	!	,
Other instruction	*&-.&\$!	!	!	*&-.&\$
Total instruction	'&))#	!	!	!	'&))#
Support services:					
Pupil services	%&)\$:	!	!	!	%&)\$:
Business services	!	!	*()&()#	!	*()&()#
Central services	!	!	(\$#	!	(\$#
Total support services	%&)\$:	!	*()&.'\$!	*.&\$&-'\$
Community services	!	!	!	*&(*'	*&(*'
Debt service:					
Principal	!	(-#&\$\$!	!	(-#&\$\$
Interest	!	..)&(%,	!	!	..)&(%,
Total debt service	!	%((&(%,	!	!	%((&(%,
Total expenditures	(.&.)#	%((&(%,	*()&.'\$	*&(*'	''#&-(
Excess of revenues over (under) expenditures	7*\$.&8	,*&'-'*	()&'(-	7#&.*'ε	(\$#&\$#.
Other financing sources					
Bond premium	!	(,.&*)\$!	!	(,.&*)\$
Net change in fund balances	7*\$.&8	.,*&.*'	()&'(-	7#&.*'ε	*\$%&%(
Fund balances - Beginning of year	%&*&\$.-	,&))#	#%&(\$)	(\$&*')	(('&(..
Fund balances - End of year	\$ %&.'.)	\$ *\$.&,-	\$ '\$&'(-	\$ #&(.,	\$ %&.&#*9

See Independent Auditor's Report

Other Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards

Board of Education
School District of Manawa
Manawa, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Manawa (the "District") as of and for the year ended June 30, 2020, 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 16, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Responses to Findings

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

November 16, 2020
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the Wisconsin Public School District Audit Manual

Board of Education
School District of Manawa
Manawa, Wisconsin

Report on Compliance for Each Major State Program

We have audited the School District of Manawa's (the "District") compliance with the types of compliance requirements described in the Wisconsin Public School District Audit Manual, issued by the Wisconsin Department of Public Instruction that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2020. The District's major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the compliance requirements of the Wisconsin Department of Public Instruction in the Wisconsin Public School District Audit Manual. Those standards and compliance requirements 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 major state programs 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 state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Wisconsin Public School District Audit Manual, 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Wisconsin Public School District Audit Manual. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

November 16, 2020
Madison, Wisconsin

School District of Manawa

Schedule of Federal Awards

Year Ended June 30, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2019	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2020
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553	2020-683276-DPI-SB-546	\$ -0,	\$.+52-6	\$.+5-23	\$ /
COVID-19-School Breakfast Program	10.553	2020-683276-DPI-SB-SEVERE-546		3*502	3*502	/
Total CFDA 10.553			-0,	0.53*-	0.5+31	/
National School Lunch Program	10.555	2020-683276-DPI-NSL-547	*5,+6	2.520+	2*5, *	/
COVID-19-National School Lunch Program	10.555	2020-683276-DPI-NSL-SEVERE-547	/	01521	01521	/
Donated Food Commodities	10.555	N/A	/	*-5,6.	*-5,6.	/
Total CFDA 10.555			*5,+6	*,,5*-6	*,-50-+	/
Total Child Nutrition Cluster			*512	. *25,,	. *5021	/
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2020-683276-TIA-141	105100	105100	125+00	125+00
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2020-683276-DPI-IDEA-F-341	*22561,	*1*5100	*1+560-	*225+1.
Preschool Entitlement	84.173	2020-683276-DPI-IDEA-P-347	256,*	256,*	15+0	15+0
Total Special Education Cluster			*1,56-0	*1651*2	*165++	*1,5*36
ESEA Title II-A Teacher/Principal	84.367	2020-683276-TIIA-365	35-0-	35-0-	*25*.6	*25*.6
Title IV-A-Student Support and Acad Enrich Grants	84.424	2020-683276-TIVA-DPI-381	**5,**	**5,**	**5+++	**5+++
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2020-749903-CTE-400	/	,5-16	,5-16	/
Total U.S. Department of Education			.115020	.625630	-+650*3	-++5-33
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medical Assistance Program Cluster	93.778	N/A	/	,5-2,	,5-2,	/
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$.6+5,,+	\$,3+512-	\$,,+5002	\$ -++5-33

See Independent Auditor's Report

See Notes to Schedule of Federal Awards and State Financial Assistance.

School District of Manawa

Schedule of State Financial Assistance

Year Ended June 30, 2020

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2019	Cash Received	State Assistance	Accrued Revenue 6/30/2020
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents:						
Internal District Program	&'()*	+,-&./)**	\$ /	\$)+123,,	\$)+123,,	\$ /
State Lunch	&'()*&	+,-&./)**	/	&2++.	&2++.	/
Common School Fund	&'()*-	+,-&./)**3	/	-12*+&	-12*+&	/
Transportation Aid	&'()*.	+,-&./)**&	/	&*21,-	&*21,-	/
Wisconsin School Day Milk Program	&'()*'	+,-&./)**1	/	&2**:	&2**:	/
General Equalization	&'(&*)	+,-&./)**+	.+2+.)	32-&12'-1	32-&12'-1	.+2+.)
Sparsity Aid	&'(&*)&	+,-&./)**&	/	&,-2,13	&,-2,13	/
Supplemental Per Pupil Aid	&'(&3')	+,-&./)**,	/	&2-.*	&2-.*	/
Alcohol and Other Drug Abuse	&'(-*+	+,-&./)**3-	/	/	&2&.,	&2&.,
State Breakfast Program	&'(-33	+,-&./)**,	/	,&1	,&1	/
Educator Effective Eval Sys Grants Public	&'(13*	+,-&./)**3	/	32-&*	32-&*	/
Per Pupil Aid	&'(13'	+,-&./)**-	/	'&-2,'&	'&-2,'&	/
High Cost Transportation Aid	&'(13.	+,-&./)**3	/	3.2,-)	3.2,-)	/
Special Ed Transition Incentive Grant	&'(1+*	+,-&./)**+	/	&2**:	&2**:	/
Total Wisconsin Department of Public Instruction			.+2+.)	'23&,2,-'	'23&'2&.'	.-2*1-
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Payments in Lieu of Taxes	-.*(1*-	N/A	/	&2.1-	&2.1-	/
<u>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</u>						
Passed through CESA #6:						
Local Youth Apprenticeship	33'())&	N/A	/	&2'***	&2'***	/
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	3'(&*+	>	&123-3	/	&,2'+*	'2.113
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
Computer Aid	,-'()*1	>	&213'	12.)	12.)	&213'
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$)*12*3'	\$ '233-2,1	\$ '23+2,+)	\$)-32*&.

See Independent Auditor's Report

See Notes to Schedule of Federal Awards and State Financial Assistance.

School District of Manawa

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2020. The information in these Schedules is presented in accordance with the requirements of the Wisconsin Department of Public Instruction. Because the Schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position or changes in net position of the District.

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

Note 2: De Minimis Cost Rate

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

Note 3: Special Education and School Age Parents Program

2019-2020 eligible costs under the State Special Education Program are \$628,231.

Note 4: Subrecipients

The District does not have subrecipients or subrecipient expenditures.

School District of Manawa

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to the financial statements noted? No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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 the *State of Wisconsin Single Audit Guidelines*? No

Identification of major state programs:

State I.D. Number

Name of State Program

255.201

General Equalization

School District of Manawa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section II - Financial Statement Findings

2020-001: Segregation of Duties

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

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

Cause - Limited staff available and inadequate compensating controls.

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

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

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

2020-002: Financial Accounting and Reporting

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

Condition - As part of our professional services for the year ended June 30, 2020, we were requested to draft the financial statements and accompanying notes to the financial statements.

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

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

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

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

School District of Manawa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section III - State Financial Assistance Findings and Questioned Costs

None.

Section IV - Other Issues

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

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

Department of Public Instruction	No
Department of Justice	No
Department of Natural Resources	No
Department of Health Services	No
Department of Workforce Development	No
Department of Revenue	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes



Name of Partner

Rob Ganschow

Date

November 16, 2020

School District of Manawa

Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2020

Financial Statement Findings

2019-001: Segregation of Duties - See finding 2020-001.

2019-002: Financial Statement Preparation - See finding 2020-002.

2019-003: Journal Entry Preparation - Corrective action was taken in the current year.



School District of Manawa

Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 12/4/2020
Re: Administrator Salary Increase 2020-21 School Year

I recommend that the School District of Manawa approve a 1.81% increase for administrators for the 2020-21 school year, retroactive to July 1, 2020.

When staff and program changes were considered in the Spring of 2020 for the 2020-21 school year, cuts were made based on budget forecasts. One of the line items on the staff and program change list was to freeze administrative salaries. All other employee groups received wage increases. On October 26, 2020, the 2020-21 budget was set by the Board of Education. The budget that was set has the capacity to give administrators salary increases equal to the CPI.

	2019-20 Salary	1.81% Increase	Proposed 2020-21 Salary
Dr. Melanie Oppor	\$118,353	\$2,142	\$120,495
Daniel Wolfgram	\$85,992	\$1,556	\$87,548
Carmen O'Brien	\$76,830	\$1,391	\$78,221
Bryant Cobarrubias	\$76,090	\$1,377	\$77,467
Jacquelyn Sernau	\$68,000	\$1,231	\$69,231
Total		\$7,697	

School District of Manawa

800 Beech Street
Manawa, WI 54949

Phone: (920) 596-2525
Fax: (920) 596-5308

Little Wolf High School Manawa Middle School

515 E. Fourth St
Manawa, WI 54949

Phone: (920) 596-2524
Fax: (920) 596-2655

Manawa Elementary

800 Beech Street
Manawa, WI 54949

Phone: (920) 596-2238
Fax: (920) 596-5339

ManawaSchools.org



/ ManawaSchools



/ ManawaSchools