

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

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(US) +1 209-650-0314 PIN: 559 530 919#

Date: January 4, 2022

Time: 6:00 p.m.

**Hybrid Meeting Format (In-person Meeting for Board of Education at MES Board Room,
800 Beech Street & Virtual Components)**

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

In Attendance:

Timer: _____ **Recorder:** _____

1. Legal RFP (Information / Action)
2. Salary/Wage Comparables (Information / Action)
3. Substitute Teacher Incentive (Information / Action)
4. Staff Special Compensation (Information / Action)
5. 2020-21 Audit Results (Information)
6. Monthly Financial Summary (Information)
7. 2022-23 Budget Forecast (Information)
8. Finance Committee Planning Guide (Information / Action)
9. Next Finance Committee Meeting Date: _____
10. Next Finance Committee Items:
 - 1.
 - 2.
11. Adjourn



School District of Manawa

REQUEST FOR PROPOSAL FOR LEGAL SERVICES

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Carmen O'Brien
Business Manager
School District of Manawa
800 Beech Street
Manawa, Wisconsin
cobrien@manawaschools.org

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

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Students choosing to excel; realizing their strengths.

Request for Proposal

Legal Services

January 3, 2022

I. GENERAL INFORMATION.

- A. **Purpose.** The **School District of Manawa** (hereinafter “District”) is requesting proposals for the purpose of selecting a highly qualified law firm or attorney (hereinafter “Attorney”) qualified to practice law in the state of Wisconsin to provide general legal services for the District.
- B. **Who May Respond.** Attorneys currently licensed to practice law in **Wisconsin**, or law firms including such attorneys, may respond to this RFP.
- C. **Instructions on Proposal Submission.**

1. **Closing Submission Date.** Proposals must be submitted no later than **12:00 p.m. (noon) on Friday, February 4, 2022.**
2. **Inquiries.** Inquiries concerning this RFP should be mailed to:

**Carmen O’Brien
Business Manager
School District of Manawa
800 Beech Street
Manawa, Wisconsin 54949**

Or e-mailed to: cobrien@manawaschools.org

3. **Conditions of Proposal.** All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Proposer and will not be reimbursed by the District.

4. **Instructions to Prospective Contractors.** Your proposal should be addressed as follows:

**Carmen O'Brien
Business Manager
School District of Manawa
800 Beech Street
Manawa, Wisconsin 54949**

It is important that the proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal

12:00 pm, February 4, 2022

SEALED PROPOSAL for Legal Services

Failure to do so may result in premature disclosure of your proposal. It is the responsibility of the Proposer to insure that the proposal is received by the District, by the date, time and in the manner specified above. Late, unsealed proposals will not be considered.

5. **Right to Reject.** The District reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be drafted based upon the factors described in this RFP.
6. **Notification of Award.** It is expected that a decision selecting the successful proposal will be made within four (4) weeks of the closing date. Upon conclusion of final negotiations regarding the successful proposal, all other Proposers will be informed, in writing, of the name of the successful Proposer. It is expected that the contract shall be a three-year contract.
- D. **Description of Entity.** The School District of Manawa is a rural district covering roughly 117 square miles. The District serves approximately 600 students in grades PK-12. There is one elementary school, one middle school, and one high school. The middle and high school operate within the same building. The District employs approximately 80 full and part-time staff and has an operating budget of approximately \$8,000,000 (all funds). The District passed a non-recurring operational referendum for \$365,000 and a capital improvement referendum for \$12 million in November 2018. Both referenda projects are complete.

Additional information on the School District of Manawa is available in our Annual Report, which can be found at our web site

<https://www.manawaschools.org/district/boe-sy-2020-21.cfm>

under the tab “2020-10-26 Annual Meeting & Special Board Mtg Following the Annual Meeting”

- II. SCOPE OF SERVICES.** The Proposer shall be readily available to perform the following legal services, as requested by the Board of Education President and/or District Administrator:
- A. Review drafts of contracts and leases.
 - B. Advise on legal issues related to District and tax-exempt organization status.
 - C. Advise on individual labor and employment matters.
 - D. Review personnel, fiscal and other policies, as well as District bylaws.
 - E. Advise on Human Resources policies and/or procedures.
 - F. Advise on responses to subpoenas, court orders, expulsion hearings, and requests for information from third parties.
 - G. Defend lawsuits, administrative claims, or other legal claims.
 - H. Conduct litigation as necessary.

Although it is preferable for an attorney or firm to submit a proposal covering all of the above areas, the District will consider proposals emphasizing expertise in subsets of these areas.

III. PROPOSAL CONTENTS. The Proposer, in its proposal, shall, as a minimum, include the following:

- A. **Legal Experience.** The Proposer should describe its experience related to the areas outlined in the scope of services above. There is a particular interest in educational law; government grants and contracts; and general business operations. Additionally, if applicable, provide a description of any experience advising Districts comparable to the School District of Manawa that offer similar programs and services.
- B. **Organization, Size, Structure, and Areas of Practice.** The Proposer should describe its organization in terms of the following:
 - a. **Law Firm Information**
 - i. Year Founded
 - ii. Structure
 - iii. Headquarters Location
 - iv. Local Branches – Number of and Location(s)
 - v. Local Branch Manager Name(s)
 - vi. Years’ Experience Wisconsin Public School District Clients
 - vii. Relationship with the School District of Manawa and Involvement in the Manawa Community

viii. References: Three minimum, greater emphasis placed on WI public school District clients or Manawa area enterprises. Provide the following for each reference:

1. Entity Name
2. Address
3. Contact Person
4. Phone Number
5. Email Address
6. Years of Servicing this Client

Proposers may submit additional information and data that they believe will be helpful to the District in the evaluation process. The District's decision, however, will primarily be based on the information specifically requested in this RFP. Please include a copy of the Equal Opportunity/Affirmative Action Policy, if available.

C. **Attorney Qualifications.** The Proposer should separately attach a description of the qualifications of attorneys to be assigned to the representation. Descriptions should include:

1. Professional and education background of each attorney.
 - a. Total Years' Experience
 - b. Years of Experience with Wisconsin Public School District Clients
 - c. Assigned Location
2. Overall supervision to be exercised.
3. Prior experience of the individual attorneys with respect to the required experience listed above. Include resumes only of attorneys likely to be assigned to the representation. Education, position in firm, years and types of experience, and continuing professional education will be considered.

C. **Price.** The Proposer's proposed price should include information on the hourly billing rates of each attorney or other legal staff who are expected to work on this representation and charges for expenses such as, but not limited to, legal research, copies, faxes, travel, and electronic communication. Also include a retainer amount that would be charged to advise the District on routine matters that could be handled over the telephone or otherwise without extensive research or other legal work. The District reserves the right to negotiate with the Proposer on the structure of the billing and/or retainer fee.

IV. PROPOSAL EVALUATION.

A. **Submission of Proposals.** All proposals shall include one (1) original and three (3) copies.

Evaluation Procedure and Criteria. The School District of Manawa President, selected Board of Education Members, the District Administrator, and the Business

Manager will review proposals and make recommendations to the Finance Committee. The Board President, District Administrator, Business Manager, and/or Board of Education Members may request a meeting with some qualified Proposers prior to final selection. Upon the Finance Committee's endorsement, the recommendation will be forwarded to the full Board of Education for approval tentatively at the February meeting. The District will notify the selected Proposer after Board of Education approval. Services are set to commence on July 1, 2022.

Proposals will be reviewed in accordance with the following criteria:

1. Completeness of the RFP.
2. Proposed approach to scope of work.
3. Level of experience of the individual(s) identified to work on this matter.
4. The Proposer's references from similar clients and legal matters demonstrating successful client relations.
5. The Proposer's availability to support evening meetings or weekend emergency issues.
6. Fee structure.
7. Community involvement as it pertains to consideration to the District.
8. Other factors as deemed important to the District.
9. Interviews, if conducted.

Cost may not be determinative in the issuance of a contract or award over other criteria. The proposal evaluation criteria should be viewed as standards, which measure how well the Proposer's approach meets the desired requirements and needs of the District.

The evaluation and selection of a legal firm will be based on the information submitted in the proposal. Failure to respond to each of the requirements of the RFP may be the basis for rejecting the submission.

B. Required Format for Proposals. All proposals must follow the required format.

Failure to follow the required format may result in disqualification of a proposal:

1. Page Limit: 12, including cover page
2. Attorney Qualifications section should be attached and is not included in the page limit
3. Page Size: 8 ½ x 11; portrait
4. Font Size: 12
5. Font Type: Times New Roman
6. Double-spaced
7. Margins: 1" minimum on the top, bottom, and sides of all pages
8. All pages must be numbered; double-sided printing is acceptable
9. Do not use material in proposals dependent on color distinctions, animated electronics, etc.

10. Do not place proposals in notebooks or binders. Metal clips may be used to bind pages together.
11. Do not include attachments other than those requested or required by this RFP.

V. PROPOSAL TIMELINE.

During the period from your organization's receipt of this Request for Proposals and until a contract is awarded, your organization shall not contact any employee of the District for additional information except in writing directed to Carmen O'Brien at cobrien@manawaschools.org.

VI. QUESTIONS.

Questions for the purpose of clarifying the RFP must be submitted **in writing by email** and must be received no later than **4:00 p.m. on January 28, 2022**.

Questions must be emailed to Carmen O'Brien at cobrien@manawaschools.org.

Questions and responses will be posted as an "Addendum to the School District of Manawa RFP for Legal Services" on the District website at

<https://www.manawaschools.org/district/notices.cfm> under the "Our District > Public Notices" tab by 4:00 p.m. on January 26, 2022. Please note that submissions of questions for response do not in any way enhance or guarantee the chances of receiving a contract through this proposal.

VII. GENERAL INFORMATION.

A. Contract Award

The District reserves the right to award the contract in a manner deemed to be in the best interests of the District.

B. Stability of Proposed Prices

Any price offerings from Proposers must be valid for a period of 90 days from the due date of the proposals.

C. Amendment or Cancellation of the RFP

The District reserves the right to cancel, amend, modify, or otherwise change this RFP at any time if it deems it to be in the best interests of the District.

D. Proposal Modifications

No additions or changes to any proposal will be allowed after the proposal due date, unless such modification is specifically requested by the District. The District, at its option, may seek Proposer retraction and clarification of any discrepancy or contradiction found during its review of proposals.

E. Proposer Presentation of Supporting Evidence

Proposers must be prepared to provide any evidence of experience, performance, ability, and/or financial surety that the District deems necessary or appropriate to fully establish the performance capabilities represented in their proposals.

F. Proposer Demonstration of Proposed Services and/or Products

Proposers must be able to confirm their ability to provide all proposed services.

G. Erroneous Awards

The District reserves the right to correct inaccurate awards. This includes revoking the awarding of a contract to a Proposer and subsequently awarding the contract to a different Proposer. Such action shall not constitute a breach of contract on the part of the District because the contract with the initial Proposer will be deemed voided as if no contract were ever in place.

H. Ownership of Proposals

All proposals shall become the property of the District and will not be returned. All submitted proposals and information included therein or attached thereto will become public record upon their opening by the School District of Manawa.

I. Ownership of Subsequent Products

Any product, whether acceptable or unacceptable, developed under a contract awarded as a result of this RFP shall be the sole property of the District unless otherwise stated in the contract.

J. Oral Agreement or Arrangements

Any alleged oral agreements or arrangements made by Proposers with the District will be disregarded in any proposal evaluation or associated award.

K. Not a Contract

This RFP is not a contract and, alone, shall not be interpreted as such. Rather, this RFP serves only as the instrument through which proposals are solicited. The District will pursue negotiations with the highest scoring proposal. If, for some reason, the District and the initial Proposer fail to reach consensus on the issues relative to a contract, then the District may commence contract negotiations with other Proposers. The District may decide at any time to start the RFP process again. The selected Proposer will be required to sign a formal contract.

L. Subcontractors

The District must approve any and all subcontractors utilized by the successful Proposer prior to any such subcontractor commencing any work. Proposers acknowledge by the act of submitting a proposal that any work provided under the contract is work conducted on behalf of the District and that the Board of Education President, District Administrator, or designee may communicate directly with any subcontractor as the District deems necessary or appropriate. It is also understood

that the successful Proposer shall be responsible for all payment of fees charged by the subcontractor(s). A performance evaluation of any subcontractor shall be provided promptly by the successful Proposer to the District upon request. The successful Proposer must provide the majority of services described in the specifications.

Key Proposal Dates

January 7, 2022	Request for Proposals issued
February 4, 2022	Due date for Proposals, 12:00 p.m.
February 10, 2022	Proposals reviewed
February 14-16, 2022	Interviews may be conducted
February 17, 2022	Recommendation submitted to Finance Committee
February 21, 2022	Recommendation to full Board of Education
July 1, 2022	Commencement of Services

Evaluation Criteria

ITEM	POINTS
Completeness of Proposal References	5
Proposed Approach to Scope of Work	5
Experience of Assigned Attorney/Personnel with K-12 Sector	10
References	3 X 10
Availability (includes evenings/weekends)	5
Law Firm Experience in K-12 Sector	10
Fee Structure	25
Community Involvement with the District	5
Other Factors as Deemed Important to the Board (Interview)	5
TOTAL POINTS POSSIBLE	100



School District of Manawa
Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 12/31/2021
Re: Salary/Wage Comparable

A comparison study organized by CESA #6 is done each year to analyze wage and benefit data from area districts. Districts that participate are allowed to utilize the data. The thirty-one participating districts are listed.

Each district interprets job categories and/or position titles on their own. For example, in the survey, there are three different categories of custodian: Custodian – Lead, Custodian, and Custodian Lead – P.M. In Manawa, we do not assign a “lead” custodian and I list all of the SDM data under the Custodian job title. When compiling the data, I do not include the data from the lead custodian positions. This can skew the data potentially toward a lower average wage. Also, there are separate titles for jobs such as Curriculum Director, Payroll Supervisor, Bookkeeper, and Buildings & Grounds Manager. These jobs are covered by individuals in the SDM whose main job title is considered something else.

Though the information is not perfect, it does give an accurate portrayal of salary and wage ranges for similar jobs in school districts in our area. Some districts are much larger than Manawa and some are smaller. The list includes some parochial schools. Regardless of these differences, these are the types of districts the SDM competes with for employees.

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Manawa, WI 54949

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ManawaSchools.org



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	Manawa	Average of Survey Group	Manawa-Avg	% difference from Average	Maximum of Survey Group	Minimum of Survey Group	Manawa Years in this position	Average Years of Survey Group	Notes
BOE President	\$1,500.00	\$2,138.24	-\$638.24	-29.85%	\$4,700.00	\$200.00			Some are paid per meeting, per month, per quarter
BOE Vice President	\$1,500.00	\$2,062.99	-\$562.99	-27.29%	\$4,100.00	\$100.00			
BOE Treasurer	\$1,500.00	\$2,099.28	-\$599.28	-28.55%	\$4,100.00	\$200.00			
BOE Clerk	\$1,500.00	\$2,107.61	-\$607.61	-28.83%	\$4,300.00	\$200.00			
BOE Members	\$1,200.00	\$2,108.41	-\$908.41	-43.09%	\$4,100.00	\$500.00			
District Admin	\$121,977.00	\$152,054.00	-\$30,077.00	-19.78%	\$207,000.00	\$101,875.00	8	7.1	
HS Principal	\$88,625.00	\$109,488.00	-\$20,863.00	-19.06%	\$138,626.00	\$78,925.00	8	8.2	
ES Principal	\$91,107.00	\$97,417.00	-\$6,310.00	-6.48%	\$119,487.00	\$70,000.00	2	8.5	
Business Mgr	\$79,183.00	\$104,665.00	-\$25,482.00	-24.35%	\$153,870.00	\$58,500.00	5	5.5	
Tech Director	\$65,000.00	\$87,916.00	-\$22,916.00	-26.07%	\$123,694.00	\$32,460.00	1	10.9	Rate of pay may be dependent upon a DPI license
District Reading Specialist		No Comparables from this survey							
Accts Payable	\$19.55	\$21.17	-\$1.62	-7.65%	\$25.99	\$15.30	7	11.8	Starting \$16.00
HS Secretary	\$18.79	\$18.33	\$0.46	2.51%	\$25.43	\$12.00	10	9.4	Starting \$15.00
ES Secretary	\$18.43	\$18.10	\$0.33	1.82%	\$23.00	\$12.73	4	9.8	Starting \$15.00
Clerical/Health Support		No Comparables from this survey							Starting \$14.25 (Manawa - 3 people in this position)
Parapro - Ed	\$13.53	\$15.23	-\$1.70	-11.16%	\$23.38	\$10.50	2	8.7	Starting \$13.25 (Manawa - average of 2 people)
Parapro - SPED	\$15.94	\$15.67	\$0.27	1.72%	\$22.80	\$12.00	7	7.8	Starting \$14.75 (Manawa - average of 8 people)
Custodian	\$16.99	\$17.96	-\$0.97	-5.40%	\$29.45	\$10.97	10.5	10.5	Starting \$13.75 (Manawa - average of 4 people)
Food Service Mgr.	\$35,360.00	\$57,044.00	-\$21,684.00	-38.01%	\$93,765.00	\$32,040.00	6	9.7	This includes people with dietary certifications/degrees
Food Service Team	\$14.77	\$13.84	\$0.93	6.72%	\$18.52	\$10.00	7.8	5.8	Starting \$13.25 (Manawa - average of 5 people)
Athletic Director	\$10,000.00	\$8,084.00	\$1,916.00	23.70%	\$12,000.00	\$3,500.00	1	N/A	6 Districts offer stipends
School Nurse	N/A	\$35.77			\$75.00	\$15.00			Currently the SDM uses consultation services to supplement health support
Teacher (start)	\$40,000.00	\$40,359.00	-\$359.00	-0.89%	\$45,537.00	\$30,600.00			Professional Educators move within the \$AM
Library Media	\$67,100.00	\$60,005.00	\$7,095.00	11.82%	\$81,033.00	\$12,631.00	8	11.1	Moves with \$AM, 30th year as a district employee
School Counselor	\$62,600.00	\$59,409.00	\$3,191.00	5.37%	\$85,930.00	\$34,777.00			Moves with \$AM (Manawa - average of 2 people)
Summer School Teacher	\$25.00	\$26.52	-\$1.52	-5.73%	\$35.00	\$16.00			
Sub Caller	\$3,500.00	\$1,769.00	\$1,731.00	97.85%	\$3,500.00	\$900.00			Only 10 districts employ a sub caller, 5 of those pay stipend (\$17.30 avg per hour)
Sub Teacher	\$110.00	\$120.72	-\$10.72	-8.88%	\$175.00	\$100.00			Manawa pays \$120 per day for retirees
Sub Custodian	\$11.50	\$12.86	-\$1.36	-10.58%	\$19.11	\$9.00			
Sub Para	\$11.00	\$12.11	-\$1.11	-9.17%	\$16.17	\$9.00			
Sub Food Service	\$11.00	\$11.72	-\$0.72	-6.14%	\$16.00	\$9.00			
Sub Building Clerical	\$10.75	N/A							This was not a category included in the survey

	Manawa	Average of Survey Group	Manawa-Avg	% difference from Average	Maximum of Survey Group	Minimum of Survey Group	Manawa Years in this position	Average Years of Survey Group	Notes
BOE President	\$1,500.00	\$2,138.24	-\$638.24	-29.85%	\$4,700.00	\$200.00			Some are paid per meeting, per month, per quarter
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BOE Clerk	\$1,500.00	\$2,107.61	-\$607.61	-28.83%	\$4,300.00	\$200.00			
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School District of Manawa
Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 1/3/2022
Re: Substitute Teacher Incentive

Recommendation

I recommend establishing the substitute teacher daily rate at \$120 for all subs and adding a bonus that after each 20 full days of subbing for the School District of Manawa, sub teachers would receive a \$500 bonus, not to include long-term substitute teaching assignments to begin on January 18, 2022 pending full Board of Education approval. Half days of employment will count as 0.5 toward the 20 full day total. The daily count and bonus pay will be retroactive to the beginning of the 2021-22 school year.

Rationale

Finding substitute teachers has become increasingly difficult. The pool of sub teachers has gotten smaller and the need for their services has increased. As one district increases the daily rate for subs, surrounding districts have to do the same in order to keep up. I want subs to choose Manawa and feel that they are fairly compensated without driving the daily rate to an unsustainable amount.

According to the 2021-22 CESA #6 Comparison Study, the average daily rate for substitute teachers is \$120.72. Many districts are looking to incentivize a person to choose to work in their district. After looking at several models, the above proposed recommendation keeps the logistics easier to monitor while offering a competitive daily wage. Upon BOE approval, all sub teachers would earn \$120 per day upfront and there would be no differentiation between former district teachers and other substitutes. Once the sub teacher worked for 20 full days, they would receive a \$500 bonus making the daily rate \$145. Partial or half days will count 0.5 toward the 20 full day total.

The following is a report of the number of days we have employed each sub for the 2021-22 school year as of 1/3/21:

Person	Number of Days
A	38
B	9
C	1
D	7
E	14
F	4
G	19

For example, Person A would receive the \$500 bonus and have 18 days counted toward their next bonus.

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



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School District of Manawa
Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 1/1/2022
Re: Staff Special Compensation

Recommendation

I recommend that the School District of Manawa explore monetarily compensating employees for their continued service through the 2021-22 school year. This bonus could be paid for all employees that are beyond the 60-day probation period and complete their contracts/MOUs or have continued employment through June 10, 2022 and could be paid out with the June 15, 2022 payroll. Other options could also be explored.

Rationale

The start of the 2021-22 school year was supposed to be the beginning of the end of the COVID-19 pandemic. The thought was that the work load would become easier and life might get closer to pre-pandemic "normality." Unfortunately, this school year has been harder than ever before.

The shortage of staff, both in substitutes and regular employees has pushed the remaining staff to their limits. If a teacher is gone, the remaining licensed employees take on their students because there are no subs to employ. When a custodian or food service team member is gone, the remaining employees are put upon to pick up the increased workload. Other staff help out in as many ways as possible, but the majority of the burden goes on to the other people in that department. When a paraprofessional is gone, more often than not, we simply go without and the teachers and other paras pick up the slack. Administrators are teaching, cleaning, and taking out the garbage all while trying to support instruction and do their other administrative work. All of our staff are working longer hours to make up for the additional work.

Some in the community have turned on the public school system. School district employees across our nation are feeling unsupported and unappreciated. It seems that despite our best efforts, it is not enough for a hypercritical public. Our employees have continued to come to work in person and have put themselves in harm's way as front-line workers.

A monetary bonus sends a message to all staff that they are appreciated and the sacrifices they have made has not gone unnoticed by this Board of Education. The COVID relief (ESSER II & III) funds could be utilized for this one-time gesture.

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School District of Manawa

Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 1/3/2022
Re: 2020-21 Audit Results Summary

The 2020-21 School District of Manawa financial report for the fiscal year ending June 30, 2020 was completed on December 7, 2021. 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 = \$9,061,349 Expenditures = \$8,736,651 June 30, 2020 Fund Balance = \$2,622,386 (includes \$4,987.41 in Common School Funds – library)
23	Notes to Financial Statements Note 6: Long-term Obligations	Outlines the debt payments for the referendum through 2039.
24	Notes to Financial Statements Note 8: Fund Balance	The amount of unassigned fund balance was \$2,612,902 for June 30, 2021. The parking lot project used \$80,712.89 of fund balance money, leaving \$2,532,189.21. This is 29.0% of 2020-21 expenditures. 2021-22 Budgeted Expenses = \$8,701,166, this is 29.0% 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 +\$274,698. In other words, the District underspent the budget by \$274,698.
38	Letter to the BOE – Internal Control Over Financial Reporting	The last paragraph states, No findings considered material weaknesses Two findings considered significant deficiencies (2021-001 and 2021-002).
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
47	Schedule of Findings and Questioned Costs	Significant Deficiencies listed and explained 2021-001: Segregation of Duties 2021-002: Financial Accounting and Reporting

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December 2, 2021

To the Board of Education
School District of Manawa
Manawa, Wisconsin

Dear District Board of Education

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of Manawa (the "District") for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit:

Our Responsibilities Under Auditing Standards Generally Accepted in the United States, Government Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of Wisconsin Single Audit Guidelines.

As stated in our engagement letter dated August 31, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*.

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 grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and *State of Wisconsin Single Audit Guidelines* applicable to each of its major federal and state programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the Budgetary Comparison Schedule and the Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information Accompanying Audited Financial Statements

We were engaged to report on the combining nonmajor governmental fund statements, and the schedules of expenditures of federal awards and state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements and, furthermore, management has not requested us to devote attention to any documents containing audited financial statements.

If the District intends to reproduce or publish these financial statements, or any portion thereof whether in paper or electronic form subsequent to the anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The District agrees to compensate Wipfli for the time associated with such review.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Carmen O'Brien, in our meeting about planning matters on August 24, 2021, in addition to our engagement letter dated August 31, 2021, accepted by Dr. Melanie Oppor.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District implemented GASB Statement No. 84, Fiduciary Activities which establishes standards of accounting and financial reporting for fiduciary activities. It was determined that the District's student activity funds and scholarship trusts did not meet the criteria to be reported as a fiduciary activity. Therefore, the District reclassified funds totaling \$180,244 previously reported in fiduciary funds and increased the beginning assets and fund balance in the District's special revenue trust fund and the beginning assets and net position of the governmental activities by the above amount as a result of implementing GASB Statement No. 84.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the significant useful lives in calculating accumulated depreciation, and the net pension asset.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Copies of the adjustments are available from management. The District noticed that \$80,000 was paid out of the General Fund in previous years that should have been paid out of the Capital Projects Fund and therefore a prior period adjustment was made to reclassify the beginning balances in those funds. In addition, the schedule below summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- The District elects not to disclose a liability for post-employment benefits that is estimated to be approximately \$60,000.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 2, 2021, a copy of which accompanies this letter.

Management Consultation With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of the District, in accordance with auditing standards generally accepted in the United States, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the internal control deficiencies noted below to be significant deficiencies:

Finding 2021-001 – 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.

Finding 2021-002 – 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, 2021, 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.

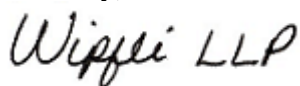
Effect – As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation are negatively impacted as outside auditors do not have the same comprehensive 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.

We appreciate the opportunity to be of service to School District of Manawa, Wisconsin.

This communication is intended solely for the information and use of management, the School Board and others within the District and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the District's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Wipfli LLP
Enclosure

GOVERNMENTAL AUDIT REPRESENTATION LETTER

December 2, 2021

Wipfli LLP
2501 W. Beltline Hwy, Suite 401
Madison, WI 53713

This representation letter is provided in connection with your audit of the financial statements of School District of Manawa (the "District"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 31, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is below.
 - a. The District elects not to disclose a liability for post-employment benefits that is estimated to be approximately \$60,000.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from who you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the District Board or summaries of actions of recent meetings for which minutes have not yet prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

15. We have no knowledge of any fraud or suspected fraud affecting the District involving:
 - a. Management.
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
19. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
22. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with the provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, or any other instances that warrant the attention of those charged with governance.
25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other data significant to the audit objectives.

27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
28. As part of your audit, you assisted with preparation of the financial statements and related notes, the schedule of expenditures of federal awards and state financial assistance, and the data collection form. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards and state financial assistance.
29. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
30. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. The financial statements properly classify all funds and activities.
33. All funds that meet the qualitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
40. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

41. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
42. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.
43. We agree with the findings of specialists in evaluating the actuarial accrued liability and the annual required contribution for postemployment benefits other than pension benefits and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
44. We are responsible for the management's discussion and analysis and have chosen not to present it, which will require modification to the auditor's opinion.
45. The District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
46. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the District vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
47. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
48. With respect to supplementary information which includes the combining financial statements for nonmajor funds and the schedules of expenditures of federal awards and state financial assistance:
 - a. We acknowledge our responsibility for presenting the supplementary information in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the

intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

49. We have evaluated the potential impacts of COVID-19 on the financial statements as of June 30, 2021 and for the year then ended. As of the date of issuance of the financial statements, the District's operations have not been significantly impacted. We feel the analysis we have performed is sufficient to support that conclusion.
50. With respect to federal and state award programs:
 - a. We are responsible for understanding and complying and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and *State of Wisconsin Single Audit Guidelines*, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance in accordance with the requirements of the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and we believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, are fairly presented in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*. The methods of measurement and presentation of the schedule of expenditures of federal awards and state financial assistance have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the schedule of expenditures of federal awards and state financial assistance.
 - c. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and *State of Wisconsin Single Audit Guidelines* and included in the schedules of expenditures of federal awards and state financial assistance made during the audit period for all awards provided by federal and state agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - d. We are responsible for understanding and complying with, and, have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.
 - e. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect

on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.

- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities
- g. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* and *State of Wisconsin Single Audit Guidelines*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.
- i. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to the compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.

- q. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r. The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
- s. We have charged costs to federal and state awards in accordance with applicable cost principles.
- t. We are responsible for and have reviewed the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- u. We are responsible for reviewing and approving the auditee section of the Data Collection Form as required by the Uniform Guidance.

Sincerely,

SCHOOL DISTRICT OF MANAWA


District Administrator


Business Manager

School District of Manawa

Manawa, Wisconsin

Financial Report

Year Ended 6/30/2021



School District of Manawa
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2021

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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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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, 2021, 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 combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds are 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. The combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds 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 combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds 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 December 2, 2021, 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

December 2, 2021

Government-Wide Financial Statements

School District of Manawa

Statement of Net Position

June 30, 2021

	Governmental Activities
<i>Assets and Deferred Outflows of Resources</i>	
Current assets:	
Cash and investments	\$ 3,235,633
Receivables:	
Accounts	9,698
Taxes	1,040,123
Due from fiduciary fund	11,020
Due from other governments	597,572
Inventory	7,864
Total current assets	4,901,910
Noncurrent assets:	
Restricted net pension asset	1,513,660
Capital assets not being depreciated	11,557,333
Capital assets being depreciated, net	5,373,363
Total capital assets, net	16,930,696
Total assets	23,346,266
Deferred outflows of resources - Related to pensions	2,379,951
Total assets and deferred outflows of resources	\$ 25,726,217
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable	\$ 176,887
Accrued expenses	486,264
Accrued interest	118,211
Unearned revenue	4,368
Current portion of long-term obligations	496,834
Total current liabilities	1,282,564
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	10,910,289
Total liabilities	12,192,853
Deferred inflows of resources - Related to pensions	3,330,226
Net position:	
Net investment in capital assets	6,187,689
Restricted	2,352,822
Unrestricted	1,662,627
Total net position	10,203,138
Total liabilities, deferred inflows of resources, and net position	\$ 25,726,217

See accompanying notes to the financial statements.

School District of Manawa

Statement of Activities

Year Ended June 30, 2021

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	\$ 3,563,256	\$ 159,326	\$ 387,492	\$ (3,016,438)
Vocational instruction	260,933	-	-	(260,933)
Special education instruction	650,098	12,656	434,216	(203,226)
Other instruction	537,890	6,626	194,063	(337,201)
Total instruction	5,012,177	178,608	1,015,771	(3,817,798)
Support services:				
Pupil services	280,983	-	-	(280,983)
Instructional staff services	496,760	-	35,218	(461,542)
General administration services	293,451	-	-	(293,451)
Building administration services	342,864	-	-	(342,864)
Business services	2,081,550	74,762	374,867	(1,631,921)
Central services	105,305	-	-	(105,305)
Insurance	132,448	-	-	(132,448)
Other support services	307,915	-	-	(307,915)
Community services	33,302	1,320	-	(31,982)
Interest	325,553	-	-	(325,553)
Total support services	4,400,131	76,082	410,085	(3,913,964)
Total school district	\$ 9,412,308	\$ 254,690	\$ 1,425,856	(7,731,762)
General revenues:				
Property taxes:				
General purposes				2,660,335
Debt service				981,462
Community service				25,000
Mobile home taxes				3,135
State and federal aids not restricted to specific functions				5,263,964
Interest and investment earnings				21,011
Miscellaneous				42,452
Total general revenues				8,997,359
Change in net position				1,265,597
Net position - Beginning of year, as restated				8,937,541
Net position - End of year				\$ 10,203,138

See accompanying notes to the financial statements.

Fund Financial Statements

School District of Manawa
Balance Sheet - Governmental Funds
June 30, 2021

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 1,635,199	\$ 914,390	\$ 686,044	\$ 3,235,633
Receivables:				
Accounts	9,320	-	378	9,698
Taxes	1,040,123	-	-	1,040,123
Due from other governments	565,695	-	31,877	597,572
Due from other funds	11,020	-	-	11,020
Inventory	-	-	7,864	7,864
Total assets	\$ 3,261,357	\$ 914,390	\$ 726,163	\$ 4,901,910
Liabilities:				
Accounts payable	\$ 152,707	\$ -	\$ 24,180	\$ 176,887
Accrued salaries and wages	486,264	-	-	486,264
Unearned revenue	-	-	4,368	4,368
Total liabilities	638,971	-	28,548	667,519
Fund balances:				
Nonspendable	-	-	7,864	7,864
Restricted	4,987	914,390	694,248	1,613,625
Unassigned	2,617,399	-	(4,497)	2,612,902
Total fund balances	2,622,386	914,390	697,615	4,234,391
Total liabilities and fund balances	\$ 3,261,357	\$ 914,390	\$ 726,163	\$ 4,901,910

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, 2021

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

Total fund balances - Governmental funds	\$	4,234,391
--	----	-----------

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	\$	24,897,295
Governmental accumulated depreciation	(7,966,599)	16,930,696

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	1,513,660	
Deferred outflows of resources related to pensions	2,379,951	
Deferred inflows of resources related to pensions	(3,330,226)	563,385

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	(11,407,123)	
Accrued interest	(118,211)	(11,525,334)

Total net position - Governmental activities	\$	10,203,138
--	----	------------

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, 2021

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 2,660,335	\$ -	\$ 1,006,462	\$ 3,666,797
Local sources	44,761	14,686	251,175	310,622
Interdistrict sources	138,729	-	-	138,729
Intermediate sources	44,987	-	-	44,987
State sources	5,558,919	-	8,385	5,567,304
Federal sources	572,286	-	334,817	907,103
Other sources	41,332	-	1,031	42,363
Total revenues	9,061,349	14,686	1,601,870	10,677,905
Expenditures:				
Instruction:				
Regular instruction	3,697,248	-	70,109	3,767,357
Vocational instruction	286,444	-	1,079	287,523
Special education	706,929	-	-	706,929
Other instruction	454,756	-	119,471	574,227
Total instruction	5,145,377	-	190,659	5,336,036
Support services:				
Pupil services	281,850	-	1,960	283,810
Instructional staff services	520,221	-	-	520,221
General administration services	298,082	-	-	298,082
Building administration services	370,242	-	-	370,242
Business services	1,574,688	2,515,410	349,431	4,439,529
Central services	105,828	-	-	105,828
Insurance	132,448	-	-	132,448
Other support services	307,915	-	-	307,915
Total support services	3,591,274	2,515,410	351,391	6,458,075
Community services	-	-	35,946	35,946
Debt service:				
Principal	-	-	555,000	555,000
Interest	-	-	373,037	373,037
Total debt service	-	-	928,037	928,037
Total expenditures	8,736,651	2,515,410	1,506,033	12,758,094
Excess of revenues over (under) expenditures	324,698	(2,500,724)	95,837	(2,080,189)
Other financing sources (uses):				
Transfers in/out	(50,000)	50,000	-	-
Total other financing sources (uses)	(50,000)	50,000	-	-
Net change in fund balances	274,698	(2,450,724)	95,837	(2,080,189)
Fund balances - Beginning of year, as restated	2,347,688	3,365,114	601,778	6,314,580
Fund balances - End of year	\$ 2,622,386	\$ 914,390	\$ 697,615	\$ 4,234,391

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, 2021

Net change in fund balances - Governmental funds (from previous page) \$ (2,080,189)

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	\$2,683,460	
Depreciation expense reported in the statement of activities	(363,173)	
<hr/>		
Amount by which capital outlays are more than depreciation in the current year		2,320,287
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.		423,015
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 principal payments in the current year		555,000
Change in accrued interest		47,484
<hr/>		
Change in net position - Governmental activities		<u>\$ 1,265,597</u>

See accompanying notes to the financial statements.

School District of Manawa
Statement of Fiduciary Net Position
June 30, 2021

	Employee Benefit Trust
Assets:	
Cash and investments	\$ 307,033
Liabilities:	
Due to other funds	11,020
Net position - Restricted	296,013
Total liabilities and net position	\$ 307,033

See accompanying notes to the financial statements.

School District of Manawa
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	Employee Benefit Trust
<hr/>	
Additions:	
Interest and dividend income	\$ 51,320
<hr/>	
Total additions	51,320
<hr/>	
Deductions:	
Employee benefit payments	10,619
<hr/>	
Total deductions	10,619
<hr/>	
Change in net position	40,701
Net position - Beginning of year	255,312
<hr/>	
Net position - End of year	\$ 296,013
<hr/>	

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.

New Accounting Pronouncement

GASB Statement No. 84, Fiduciary Activities establishes standards of accounting and financial reporting for fiduciary activities. It was determined that the District's Agency Fund and Private-Purpose Trust Fund did not meet the criteria to be reported as a fiduciary activity. Therefore, the District reclassified Agency Funds totaling \$112,389 and Private-Purpose Trust Funds totaling \$67,855 previously reported in a Fiduciary fund and increased the beginning assets and fund balance in the District's Donation fund and the beginning assets and net position in governmental activities by the above amount as a result of implementing GASB Statement No. 84.

School District of Manawa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 and statements of changes in fiduciary net position at the fund financial statement level.

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 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.

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 has 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 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. 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, 2021 were as follows:

	Amount	Fair Value Level
Deposits at financial institutions	\$ 3,234,483	N/A
Investments:		
Money market funds	6,047	Level 1
Mutual funds - equity	158,583	Level 1
Mutual funds - fixed income	142,403	Level 1
Petty cash	1,150	N/A
Total	\$ 3,542,666	

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	\$ 3,235,633	
Fiduciary fund statement of net position		
Cash and investments		307,033
Total	\$ 3,542,666	

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, 2021, the District had a bank balance of \$3,594,946 of which \$2,083,284 was covered by federal and state depository insurance and the remaining balance of \$1,511,662 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, 2021, are as follows:

Receivable fund:	Payable Fund:	Amount
General Operating Fund	Employee Benefit Trust Fund	\$ 11,020

The purpose for interfund receivable and payable balances is to reimburse the District's health insurance payments for retirees.

Interfund transfers at June 30, 2021, were as follows:

Transfer To:	Transfer From:	Amount
General Operating Fund	Capital Projects	\$ 50,000

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, 2021, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 130,000	\$ -	\$ -	\$ 130,000
Construction in progress	8,911,923	2,515,410	-	11,427,333
Total capital assets not being depreciated	9,041,923	2,515,410	-	11,557,333
Capital assets being depreciated:				
Land improvements	732,280	6,006	-	738,286
Buildings and improvements	11,279,952	92,500	-	11,372,452
Equipment	1,159,680	69,544	-	1,229,224
Total capital assets being depreciated	13,171,912	168,050	-	13,339,962
Less accumulated depreciation for:				
Land improvements	(407,518)	(29,246)	-	(436,764)
Buildings and improvements	(6,375,573)	(259,426)	-	(6,634,999)
Equipment	(820,335)	(74,501)	-	(894,836)
Total accumulated depreciation	(7,603,426)	(363,173)	-	(7,966,599)
Total capital assets, being depreciated - Net of accumulated depreciation	5,568,486	(195,123)	-	5,373,363
Governmental activities capital assets - Net	\$ 14,610,409	\$ 2,320,287	\$ -	\$ 16,930,696

Depreciation expense was charged to governmental activities as follows:

Business services	\$ 363,173
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School District of Manawa

Notes to Financial Statements

Note 6: Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/20	Additions	Reductions	Balance 06/30/21	Amounts Due Within One Year
Bonds	\$ 7,305,000	\$ -	\$ -	\$ 7,305,000	\$ -
Notes	4,500,000	-	555,000	3,945,000	460,000
Plus deferred amounts:					
Premium	199,360	-	42,237	157,123	36,834
Totals	\$ 12,004,360	\$ -	\$ 597,237	\$ 11,407,123	\$ 496,834

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, 2021, is comprised of the following individual issues:

	Governmental Activities			Balance 06/30/21
	Issue Dates	Interest Rates %	Final Maturity	
GO Promissory Notes	03/03/20	2.00-3.00%	3/01/2029	\$ 3,945,000
GO Refunding Bonds	05/22/19	3.00-4.00%	3/01/2039	7,305,000
Total general obligation debt				\$ 11,250,000

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$391,758,538. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (10% of \$391,758,538)	\$ 39,175,854
Deduct:	
Long-term debt applicable to debt margin	\$ (11,250,000)
Add:	
Debt service fund assets available	356,509 (10,893,491)
Margin of indebtedness	\$ 28,282,363

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, 2021, are as follows:

<i>Governmental Activities</i>				
<i>Year Ended June 30:</i>	Principal	Interest	Totals	
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	520,000	298,234	818,234	
2027-2031	2,880,000	1,263,370	4,143,370	
2032-2036	3,525,000	708,720	4,233,720	
2037-2040	2,395,000	148,002	2,543,002	
Totals	\$ 11,250,000	\$ 3,758,262	\$ 15,008,262	

Note 7: Net Position

Net position reported on the government wide statement of net position at June 30, 2021:

Governmental Activities:		
Net investment in capital assets:		
Land and other nondepreciable assets		\$ 11,557,333
Other capital assets, net of accumulated depreciation		5,373,363
Less: related long-term debt outstanding		(10,743,007)
Total net investment in capital assets		6,187,689
Restricted:		
Net pension asset		1,513,660
Common school fund		4,987
Debt service		238,298
Capital improvements		250,274
Donation & student activities		227,330
Food service		118,273
Total restricted		2,352,822
Unrestricted		1,662,627
Governmental activities net position		\$ 10,203,138

School District of Manawa

Notes to Financial Statements

Note 8: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2021:

Nonspendable Fund Balance

Inventory:

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

Restricted Fund Balance

Common school fund	\$ 4,987
Debt service	356,509
Capital projects	914,390
Donation & student activities	227,330
Food service	110,409
<hr/>	
Total restricted fund balance	\$ 1,613,625
<hr/> <hr/>	

Unassigned Fund Balance

General Fund	\$ 2,617,399
Community services	(4,497)
<hr/>	
Total unassigned fund balance	\$ 2,612,902
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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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

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
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	- %	(10.0)%
2020	1.7 %	21.0 %

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. 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 \$256,524 in contributions from the employer.

Contribution rates as of June 30, 2021, 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, 2021, the District reported an asset of \$1,513,660 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.02424518%, which was a decrease of 0.00100727% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(166,046).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,190,731	\$ 471,879
Net differences between projected and actual earnings on pension plan investments	-	2,841,774
Change in assumptions	34,332	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,555	16,573
Employer contributions subsequent to the measurement date	152,333	-
Total	\$ 2,379,951	\$ 3,330,226

\$152,333 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$ (283,129)
2023	(79,586)
2024	(519,267)
2025	(220,626)

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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry age
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, 2020, is based on a rollforward of the liability calculated from the December 31, 2019, actuarial valuation.

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

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, 2020

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4)%
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
Total core fund	115.0%	6.6%	4.1%
Variable fund:			
U.S. equities	70.0%	6.6%	4.1%
International equities	30.0%	7.4%	4.9%
Total variable fund	100.0%	7.1%	4.6%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%

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

Single Discount Rate: A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 1,440,794	\$ (1,513,660)	\$ (3,683,685)

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, 2021, the District reported a payable of \$69,511 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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, 2021.

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 2021.

School District of Manawa

Notes to Financial Statements

Note 12: Construction Commitments

During the prior year, the District had entered into contracts with Hoffman Planning Design & Construction Inc., for building improvements. Approximately \$1.4 million remains unspent under the contract at June 30, 2021.

Note 13: Prior Year Restatement

In the prior year expenses were paid out of the General Fund that should have been paid out of the Capital Projects Fund. Fund balance was restated as noted below.

	General Fund	Capital Projects Fund
Balance at July 1, 2020, as previously reported	\$ 2,267,688	\$ 3,445,114
Reclassification of expenses to the proper fund	80,000	(80,000)
Balance at July 1, 2020, as restated	\$ 2,347,688	\$ 3,365,114

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, 2021

	Budgeted Amounts		Actual on Budgetary Basis	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,660,335	\$ 2,660,335	\$ 2,660,335	\$ -
Other local sources	31,151	31,151	44,761	13,610
Interdistrict sources	121,875	121,875	126,073	4,198
Intermediate sources	10,303	10,303	5,605	(4,698)
State sources	5,344,869	5,344,869	5,356,877	12,008
Federal sources	387,510	387,510	379,494	(8,016)
Other sources	86,802	86,802	41,332	(45,470)
Total revenues	8,642,845	8,642,845	8,614,477	(28,368)
Expenditures:				
Instruction:				
Regular instruction	3,904,674	4,009,674	3,697,248	312,426
Vocational instruction	211,900	211,900	286,444	(74,544)
Other instruction	380,747	380,747	454,756	(74,009)
Total instruction	4,497,321	4,602,321	4,438,448	163,873
Support services:				
Pupil services	626,677	626,677	193,685	432,992
Instructional staff services	368,696	368,696	449,943	(81,247)
General administration services	261,320	261,320	298,082	(36,762)
Building administration services	278,364	278,364	370,242	(91,878)
Business services	1,340,862	1,340,862	1,487,527	(146,665)
Central services	118,474	118,474	104,038	14,436
Insurance	124,186	124,186	132,448	(8,262)
Other support services	379,826	379,826	306,002	73,824
Total support services	3,498,405	3,498,405	3,341,967	156,438
Debt service	1,200	1,200	-	1,200
Total expenditures	7,996,926	8,101,926	7,780,415	321,511
Excess of revenues over (under) expenditures	645,919	540,919	834,062	293,143
Other financing uses:				
Transfers out	(648,420)	(648,420)	(559,364)	89,056
Net other financing uses	(648,420)	(648,420)	(559,364)	89,056
Net change in fund balance	(2,501)	(107,501)	274,698	382,199
Fund balance - Beginning of year, as restated	2,347,688	2,347,688	2,347,688	-
Fund balance - End of year	\$ 2,345,187	\$ 2,240,187	\$ 2,622,386	\$ 382,199

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	Special	General Fund
	Actual on	Education	Actual on
	Budgetary	Fund	GAAP Basis
	Basis		
Revenues	\$ 8,614,477	\$ 446,872	\$ 9,061,349
Expenditures	(7,780,415)	(956,236)	(8,736,651)
Other financing sources (uses)	(559,364)	509,364	(50,000)
Net change in fund balance	\$ 274,698	\$ -	\$ 274,698

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over
			Budget
Vocational instruction	\$ 211,900	\$ 286,444	\$ 74,544
Other instruction	380,747	454,756	74,009
Instructional staff services	368,696	449,943	81,247
General administration services	261,320	298,082	36,762
Building administration services	278,364	370,242	91,878
Business services	1,340,862	1,487,527	146,665
Insurance	124,186	132,448	8,262

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
2020	0.02424518 %	\$ (1,513,660)	\$ 3,789,535	(39.94)%	105.26 %
2019	0.02525245	(814,254)	3,974,014	(20.49)	105.26
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
2021	\$ 256,524	\$ 256,524	\$ -	\$ 3,800,351	6.75 %
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, 2021

	Donation Fund	Debt Service Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 227,330	\$ 356,509	\$ 106,702	\$ (4,497)	\$ 686,044
Accounts receivable	-	-	378	-	378
Due from other governments	-	-	31,877	-	31,877
Inventory	-	-	7,864	-	7,864
Total assets	\$ 227,330	\$ 356,509	\$ 146,821	\$ (4,497)	\$ 726,163
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 24,180	\$ -	\$ 24,180
Unearned revenue	-	-	4,368	-	4,368
Total liabilities	-	-	28,548	-	28,548
Fund balances:					
Nonspendable	-	-	7,864	-	7,864
Restricted	227,330	356,509	110,409	-	694,248
Unassigned	-	-	-	(4,497)	(4,497)
Total fund balances	227,330	356,509	118,273	(4,497)	697,615
Total liabilities and fund balance	\$ 227,330	\$ 356,509	\$ 146,821	\$ (4,497)	\$ 726,163

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, 2021

	Donation Fund	Debt Service Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ -	\$ 981,462	\$ -	\$ 25,000	\$ 1,006,462
Local sources	198,455	186	51,214	1,320	251,175
State sources	-	-	8,385	-	8,385
Federal sources	-	-	334,817	-	334,817
Other sources	-	-	1,031	-	1,031
Total revenues	198,455	981,648	395,447	26,320	1,601,870
Expenditures:					
Instruction:					
Regular instruction	70,109	-	-	-	70,109
Vocational instruction	1,079	-	-	-	1,079
Other instruction	119,471	-	-	-	119,471
Total instruction	190,659	-	-	-	190,659
Support services:					
Pupil services	1,960	-	-	-	1,960
Business services	1,476	-	347,955	-	349,431
Total support services	3,436	-	347,955	-	351,391
Community services	-	-	-	35,946	35,946
Debt service:					
Principal	-	555,000	-	-	555,000
Interest	-	373,037	-	-	373,037
Total debt service	-	928,037	-	-	928,037
Total expenditures	194,095	928,037	347,955	35,946	1,506,033
Net change in fund balances	4,360	53,611	47,492	(9,626)	95,837
Fund balances - Beginning of year	222,970	302,898	70,781	5,129	601,778
Fund balances - End of year	\$ 227,330	\$ 356,509	\$ 118,273	\$ (4,497)	\$ 697,615

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 2021-001 and 2021-002 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 cursive script that reads "Wipfli LLP".

Wipfli LLP

December 2, 2021
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

Board of Education
School District of Manawa
Manawa, Wisconsin

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of 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 Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

December 2, 2021
Madison, Wisconsin

School District of Manawa

Schedule of Federal Awards

Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2021
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
COVID-19-School Breakfast Program	10.553	2021-683276-DPI-SB-SEVERE-546	\$ -	\$ 87,235	\$ 94,081	\$ 6,846
COVID-19-National School Lunch Program	10.555	2021-683276-DPI-NSL-547	-	193,666	204,796	11,130
Donated Food Commodities	10.555	N/A	-	12,392	12,392	-
Total CFDA 10.555			-	206,058	217,188	11,130
Total Child Nutrition Cluster			-	293,293	311,269	17,976
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2021-683276-DPI-TIA-141	87,066	87,066	97,576	97,576
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2021-683276-DPI-IDEA-FT-341	180,963	180,963	148,152	148,152
Preschool Entitlement	84.173	2021-683276-DPI-IDEA-P-347	8,067	8,067	4,927	4,927
Total Special Education Cluster			189,030	189,030	153,079	153,079
ESEA Title II-A Teacher/Principal	84.367	2021-683276-DPI-TIIA-365	17,129	17,129	25,880	25,880
Title IV-A-Student Support and Acad Enrich Grants	84.424	2021-683276-DPI-TIV-A-381	11,000	11,000	6,574	6,574
COVID-19 Education Stabilization Fund	84.425	2021-683276-DPI-ESSERF-160	-	75,963	273,012	197,049
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2021-749903-DPI-CTE-400	-	4,505	4,505	-
Total U.S. Department of Education			304,225	384,693	560,626	480,158
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medicaid Cluster	93.778	N/A	-	38,550	39,713	1,163
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 304,225	\$ 716,536	\$ 911,608	\$ 499,297

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, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2021
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents:						
Internal District Program	255.101	683276-100	\$ -	\$ 177,043	\$ 177,043	\$ -
State Lunch	255.102	683276-107	-	3,750	3,750	-
Common School Fund	255.103	683276-104	-	35,218	35,218	-
Transportation Aid	255.107	683276-102	-	23,718	23,718	-
Wisconsin School Day Milk Program	255.115	683276-109	-	1,588	1,588	-
General Equalization	255.201	683276-116	70,815	4,451,898	4,451,438	70,355
Sparsity Aid	255.212	683276-162	-	272,553	272,553	-
Supplemental Per Pupil Aid	255.245	683276-181	-	2,088	2,088	-
Transition Readiness Grant	255.257	683276-174	-	-	24,999	24,999
Alcohol and Other Drug Abuse	255.306	683276-143	2,278	2,278	-	-
State Breakfast Program	255.344	683276-108	-	3,047	3,047	-
Per Pupil Aid	255.945	683276-113	-	509,754	509,754	-
High Cost Transportation Aid	255.947	683276-114	-	31,495	31,495	-
Career and Technical Education Incentive Grants	255.950	683276-152	-	2,393	2,393	-
Total Wisconsin Department of Public Instruction			73,093	5,516,823	5,539,084	95,354
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Payments in Lieu of Taxes	370.503	N/A	-	2,606	2,606	-
<u>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</u>						
Passed through CESA #6:						
Local Youth Apprenticeship	445.112	N/A	-	1,100	1,100	-
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	455.206	N/A	57,994	74,284	16,290	-
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
Exempt Aids	835.109	N/A	2,940	9,235	9,235	2,940
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 134,027	\$ 5,604,048	\$ 5,568,315	\$ 98,294

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, 2021

Note 1: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the 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.

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

2020-2021 eligible costs under the State Special Education Program are \$668,179.

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, 2021

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

Assistance Listing Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
84.425	COVID-19 Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

School District of Manawa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

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

Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
--	----

Identification of major state programs:

State I.D. Number	Name of State Program
255.101	Special Education and School Age Parents
255.201	General Equalization
255.945	Per Pupil Aid

School District of Manawa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section II - Financial Statement Findings

2021-001: 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.

2021-002: 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, 2021, 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, 2021

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

December 2, 2021

School District of Manawa

Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2021

Financial Statement Findings

2020-001: Segregation of Duties - See finding 2021-001.

2020-002: Financial Statement Preparation - See finding 2021-002.



School District of Manawa

Corrective Action Plan for the year ended June 30, 2021

Finding 2021-001 – Segregation of Duties

Corrective Action Plan:

The District has evaluated the cost/benefit of hiring additional support staff to achieve proper separation of duties and at this point it is not possible due to budget constraints.

Person(s) Responsible: District Management and Board of Education

Timing for Implementation: There is no anticipated completion date for this item.

Finding 2021-002 – Financial Accounting and Reporting

Corrective Action Plan:

The District has evaluated the cost/benefit of outsourcing the task of preparing the financial statements to an external accountant. It would be cost prohibitive to hire additional staff or outsource the task to an outside accountant. However, management of the District has obtained the necessary skills, knowledge, and experience to accept responsibility for the preparation of the District's financial statements.

Person(s) Responsible: District Management and Board of Education

Timing for Implementation: There is no anticipated completion date for this item.

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

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School District of Manawa
Students Choosing to Excel, Realizing Their Strengths

To: Board of Education
From: Carmen O'Brien
cc: Dr. Melanie Oppor
Date: 1/3/2022
Re: 2022-23 Budget Forecast

The biggest factor in the 2022-23 forecast is the declining enrollment for the SDM. In 2021-22, the district saw a decrease of 24 FTE. This resulted in the district receiving \$240,000 for the declining enrollment exemption and \$240,000 for the hold harmless exemption. These are one-time funds to help ease the financial repercussions of an extreme decrease in enrollment.

In 2022-23, the forecast predicts a reduction of 13 FTEs. This will generate \$130,000 for the declining enrollment exemption and \$0 for the hold harmless exemption. The net decrease from 2021-22 is \$350,000. This number is only an estimate.

Due to the availability of COVID relief funds (ESSER II & ESSER III) and a healthy fund balance, the SDM can go into the 2022-23 school year without making any drastic cuts to staff or other spending. This action only “kicks the can down the road,” though. As these funds expire, cuts will need to be made. The administrative team prefers, if possible, to make cuts through attrition. If one employee decides to leave, the decision to replace is heavily considered.

The Staff and Program Change recommendations will be presented to this committee and the full BOE in the coming months.

