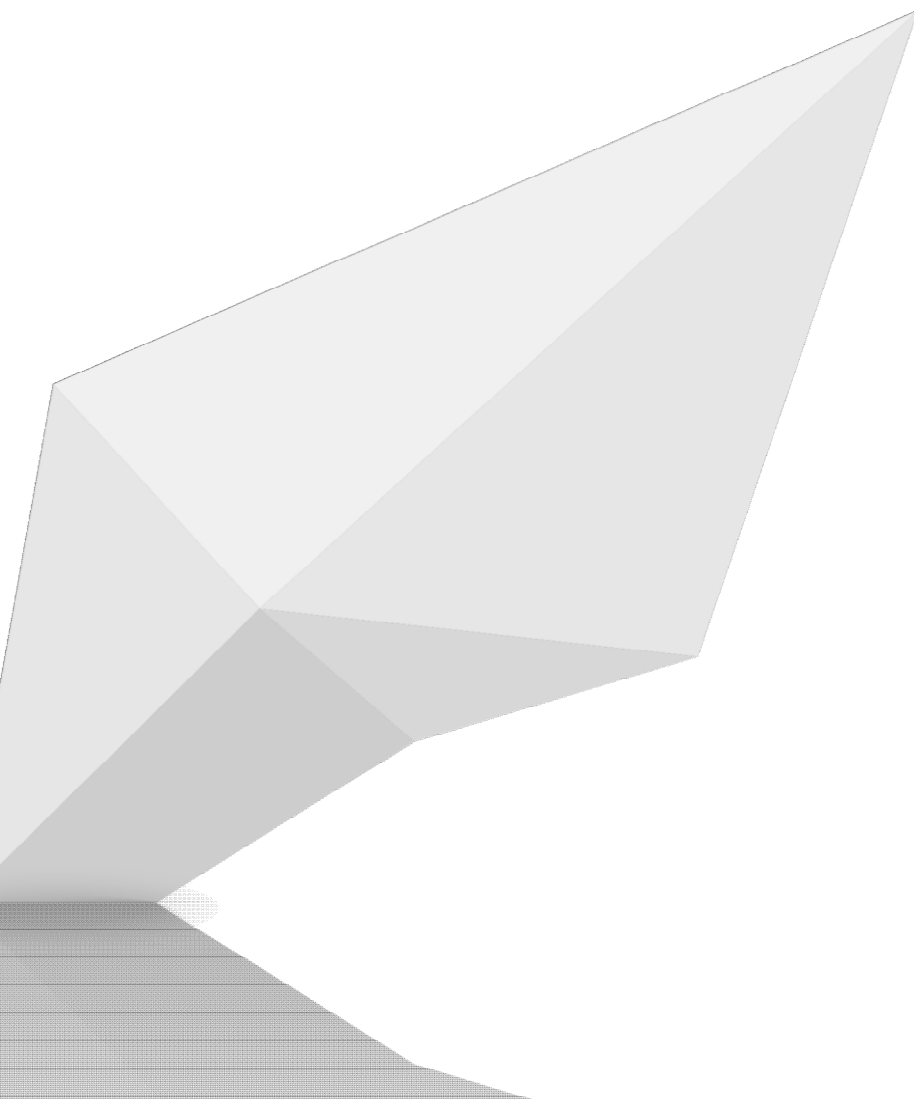


# Stanley-Boyd Area School District

Financial Statements and  
Supplementary Information

Year Ended June 30, 2021



**WIPFLI**

**Stanley-Boyd Area School District**  
**Financial Statements and Supplementary Financial Information**  
Year Ended June 30, 2021

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**Table of Contents**

|   |    |
|---|----|
| Independent Auditor's Report.....   | 1  |
| Basic Financial Statements  |    |
| Government-Wide Financial Statements  |    |
| Statement of Net Position.....  | 4  |
| Statement of Activities.....  | 6  |
| Fund Financial Statements   |    |
| Governmental Funds  |    |
| Balance Sheet.....  | 9  |
| Statement of Revenues, Expenditures, and Changes in Fund Balances.....  | 11 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....   | 13 |
| Fiduciary Funds   |    |
| Statement of Net Position.....  | 15 |
| Statement of Changes in Net Position.....   | 16 |
| Notes to Financial Statements.....  | 17 |
| Required Supplementary Information  |    |
| Budgetary Comparison Schedule - General Fund.....   | 47 |
| Notes to the Budgetary Comparison Schedule - General Fund.....  | 49 |
| Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.....  | 51 |
| Schedule of Changes in the Employer's Net OPEB Asset and Related Ratios - District OPEB Plan.....   | 52 |
| Schedule of Employer Contributions - District OPEB Plan.....  | 53 |
| Schedule of Investment Returns - District OPEB Plan.....  | 54 |
| Notes to Required Supplementary Information - District OPEB Plan.....   | 55 |
| Supplementary Financial Information   |    |
| Schedule of Expenditures of Federal Awards.....   | 57 |
| Schedule of State Financial Assistance.....   | 60 |
| Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....  | 62 |
| Other Reports   |    |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards..... | 64 |
| Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance.....  | 66 |
| Schedule of Findings and Questioned Costs.....  | 69 |
| Summary Schedule of Prior Audit Findings.....   | 76 |

## **Independent Auditor's Report**

Board of Education  
Stanley-Boyd Area School District  
Stanley, 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 Stanley-Boyd Area School District (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 Stanley-Boyd Area School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the budgetary comparison schedule - General Fund, schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, schedule of changes in the employer's net OPEB asset and related ratios - District OPEB plan, schedule of employer contributions - District OPEB plan, and schedule of investment returns - District OPEB plan on pages 47 through 55 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 as well as the required supplemental information for its OPEB plan as noted in the footnotes to the schedules on pages 52 to 54, that accounting principles generally accepted in the United States requires 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 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are not a required part of the basic financial statements. 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 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 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting and compliance.



Wipfli LLP

December 15, 2021  
Eau Claire, Wisconsin

# Stanley-Boyd Area School District

## Statement of Net Position

June 30, 2021

| <i>Assets and Deferred Outflows of Resources</i>             | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| Current assets:  |                                    |
| Cash and investments   | \$ 8,066,050                       |
| Receivables:   |                                    |
| Taxes  | 838,728                            |
| Accounts   | 23                                 |
| Due from other governments                                   | 324,242                            |
| Prepaid items  | 5,975                              |
| <b>Total current assets</b>                                  | <b>9,235,018</b>                   |
| Noncurrent assets:   |                                    |
| Restricted net pension asset - WRS                           | 2,458,946                          |
| Restricted net OPEB asset - District OPEB plan               | 19,306                             |
| Capital assets:  |                                    |
| Land   | 203,385                            |
| Land improvements  | 7,544,824                          |
| Buildings and building improvements                          | 12,677,404                         |
| Furniture and equipment                                      | 4,530,990                          |
| Less - accumulated depreciation                              | (12,892,352)                       |
| <b>Total capital assets, net of accumulated depreciation</b> | <b>12,064,251</b>                  |
| <b>Total noncurrent assets</b>                               | <b>14,542,503</b>                  |
| <b>Total assets</b>  | <b>23,777,521</b>                  |
| Deferred outflows of resources:                              |                                    |
| Related to OPEB - District OPEB plan                         | 5,620                              |
| Related to pensions - WRS                                    | 3,895,991                          |
| <b>Total deferred outflows of resources</b>                  | <b>3,901,611</b>                   |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>       | <b>\$ 27,679,132</b>               |

# Stanley-Boyd Area School District

## Statement of Net Position (Continued)

June 30, 2021

| <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>       | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Liabilities:  |                                    |
| Current liabilities:  |                                    |
| Accounts payable  | \$ 8,739                           |
| Accrued liabilities:  |                                    |
| Payroll, payroll taxes, insurance   | 1,048,215                          |
| Interest  | 1,682                              |
| Unearned revenue  | 22,506                             |
| Current portion of long-term obligations                                  | 159,424                            |
| Total current liabilities   | 1,240,566                          |
| Noncurrent liabilities:   |                                    |
| Compensated absences  | 222,733                            |
| Total liabilities   | 1,463,299                          |
| Deferred inflows of resources:  |                                    |
| Related to pensions - WRS   | 5,393,452                          |
| Total deferred inflows of resources                                       | 5,393,452                          |
| Net position:   |                                    |
| Net investment in capital assets  | 12,006,141                         |
| Restricted for:   |                                    |
| Pension benefits  | 2,458,946                          |
| OPEB benefits   | 19,306                             |
| Capital projects  | 5,196,752                          |
| Community service   | 50,676                             |
| Food service  | 44,262                             |
| Donor approved uses   | 381,435                            |
| Unrestricted  | 664,863                            |
| Total net position  | 20,822,381                         |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <b>\$ 27,679,132</b>               |

See accompanying notes to financial statements.

# Stanley-Boyd Area School District

## Statement of Activities

Year Ended June 30, 2021

| <i>Functions/Programs</i>                          | Expenses      | Program Revenues        |  | Net (Expense)                       |
|--|---------------|-------------------------|--|-------------------------------------|
|  |               | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Revenue and                         |
|  |               |                         |  | Changes in<br>Net Position          |
|  |               |                         |  | Total<br>Governmental<br>Activities |
| Governmental activities:                           |               |                         |  |                                     |
| Instruction:                                       |               |                         |  |                                     |
| Regular instruction                                | \$ 5,902,261  | \$ 753,769              | \$ 1,190,944                             | \$ (3,957,548)                      |
| Vocational instruction                             | 475,106       | -                       | 15,287                                   | (459,819)                           |
| Special education instruction                      | 1,364,190     | 33,072                  | 1,346,844                                | 15,726                              |
| Other instruction                                  | 553,459       | 19,501                  | -  | (533,958)                           |
| <hr/>  |               |                         |  |                                     |
| Total instruction                                  | 8,295,016     | 806,342                 | 2,553,075                                | (4,935,599)                         |
| <hr/>  |               |                         |  |                                     |
| Support services:                                  |               |                         |  |                                     |
| Pupil services                                     | 542,954       | -                       | -  | (542,954)                           |
| Instructional staff services                       | 476,320       | -                       | 64,972                                   | (411,348)                           |
| General administration services                    | 350,507       | -                       | -  | (350,507)                           |
| Building administration services                   | 524,970       | -                       | -  | (524,970)                           |
| Business services                                  | 192,405       | -                       | -  | (192,405)                           |
| Operations and maintenance                         | 1,603,439     | -                       | 15,832                                   | (1,587,607)                         |
| Pupil transportation services                      | 550,834       | -                       | 64,943                                   | (485,891)                           |
| Food service                                       | 612,496       | 22,839                  | 675,381                                  | 85,724                              |
| Central services                                   | 70,542        | -                       | 23,527                                   | (47,015)                            |
| Insurance  | 163,607       | -                       | -  | (163,607)                           |
| Community services                                 | 80,331        | 25,058                  | -  | (55,273)                            |
| Interest on debt                                   | 4,909         | -                       | -  | (4,909)                             |
| Other support services                             | 120,897       | -                       | -  | (120,897)                           |
| Unallocated depreciation, excluding direct         | 173,011       | -                       | -  | (173,011)                           |
| <hr/>  |               |                         |  |                                     |
| Total support services                             | 5,467,222     | 47,897                  | 844,655                                  | (4,574,670)                         |
| <hr/>  |               |                         |  |                                     |
| Total governmental activities<br>(carried forward) | \$ 13,762,238 | \$ 854,239              | \$ 3,397,730                             | (9,510,269)                         |



# Stanley-Boyd Area School District

## Statement of Activities (Continued)

Year Ended June 30, 2021

| <i>Functions/Programs</i>                                    | Expenses | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--|----------|-------------------------|--|--|
|  |          | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Total<br>Governmental<br>Activities                        |
| Total governmental activities (brought forward)              |          |                         |  | \$ (9,510,269)   |
| General revenues:  |          |                         |  |  |
| Property taxes:  |          |                         |  |  |
| General purposes   |          |                         |  | 2,780,405  |
| Community services   |          |                         |  | 95,000   |
| State and federal aids not restricted to specific functions: |          |                         |  |  |
| General  |          |                         |  | 8,810,838  |
| Other  |          |                         |  | 13,753   |
| Interest and investment earnings                             |          |                         |  | 74,456   |
| Miscellaneous  |          |                         |  | 164,234  |
| Total general revenues                                       |          |                         |  | 11,938,686   |
| Change in net position                                       |          |                         |  | 2,428,417  |
| Net position - Beginning of year, as restated                |          |                         |  | 18,393,964   |
| Net position - End of year                                   |          |                         |  | \$ 20,822,381  |

See accompanying notes to financial statements.

# **Fund Financial Statements**

---

# Stanley-Boyd Area School District

## Governmental Funds - Balance Sheet

June 30, 2021

| <i>Assets</i>                               | General Fund        | Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------------------|--------------------------------|--------------------------------|
| Cash and investments                        | \$ 4,439,411        | \$ 3,143,588             | \$ 483,051                     | \$ 8,066,050                   |
| Receivables:                                |                     |                          |                                |                                |
| Taxes                                       | 838,728             | -                        | -                              | 838,728                        |
| Accounts                                    | -                   | -                        | 23                             | 23                             |
| Due from other funds                        | -                   | 2,053,164                | -                              | 2,053,164                      |
| Due from other governments                  | 302,333             | -                        | 21,909                         | 324,242                        |
| Prepaid items                               | 5,975               | -                        | -                              | 5,975                          |
| <b>TOTAL ASSETS</b>                         | <b>\$ 5,586,447</b> | <b>\$ 5,196,752</b>      | <b>\$ 504,983</b>              | <b>\$ 11,288,182</b>           |
| <b><i>Liabilities and Fund Balances</i></b> |                     |                          |                                |                                |
| Liabilities:                                |                     |                          |                                |                                |
| Accounts payable                            | \$ 8,739            | \$ -                     | \$ -                           | \$ 8,739                       |
| Accrued liabilities:                        |                     |                          |                                |                                |
| Payroll, payroll taxes, insurance           | 1,042,111           | -                        | 6,104                          | 1,048,215                      |
| Unearned revenue                            | -                   | -                        | 22,506                         | 22,506                         |
| Due to other funds                          | 2,053,164           | -                        | -                              | 2,053,164                      |
| <b>Total liabilities</b>                    | <b>3,104,014</b>    | <b>-</b>                 | <b>28,610</b>                  | <b>3,132,624</b>               |
| Fund balances:                              |                     |                          |                                |                                |
| Nonspendable:                               |                     |                          |                                |                                |
| Prepays                                     | 5,975               | -                        | -                              | 5,975                          |
| Restricted:                                 |                     |                          |                                |                                |
| Capital projects                            | -                   | 5,196,752                | -                              | 5,196,752                      |
| Food service                                | -                   | -                        | 44,262                         | 44,262                         |
| Community service                           | -                   | -                        | 50,676                         | 50,676                         |
| Donor approved uses                         | -                   | -                        | 381,435                        | 381,435                        |
| Unassigned                                  | 2,476,458           | -                        | -                              | 2,476,458                      |
| <b>Total fund balances</b>                  | <b>2,482,433</b>    | <b>5,196,752</b>         | <b>476,373</b>                 | <b>8,155,558</b>               |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>  | <b>\$ 5,586,447</b> | <b>\$ 5,196,752</b>      | <b>\$ 504,983</b>              | <b>\$ 11,288,182</b>           |

# Stanley-Boyd Area School District

## Governmental Funds - Balance Sheet (Continued)

June 30, 2021

Total net position reported for governmental activities in the statement of net position is different from the amount reported on the previous page as total governmental fund balances because:

|  |    |           |
|--|----|-----------|
| Total fund balances - Governmental funds (previous page) | \$ | 8,155,558 |
|--|----|-----------|

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 are:

|                                       |    |              |            |
|---------------------------------------|----|--------------|------------|
| Governmental capital assets           | \$ | 24,956,603   |            |
| Governmental accumulated depreciation |    | (12,892,352) | 12,064,251 |

The net pension asset, net OPEB 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 OPEB asset - District OPEB plan                                 |  | 19,306      |         |
| Net pension asset - WRS   |  | 2,458,946   |         |
| Deferred inflows of resources related to pensions - WRS             |  | (5,393,452) |         |
| Deferred outflows of resources related to OPEB - District OPEB plan |  | 5,620       |         |
| Deferred outflows of resources related to pension - WRS             |  | 3,895,991   | 986,411 |

Long-term liabilities, including capital leases payable, are not due in the current year and therefore are not reported in the fund statements. Interest on capital leases is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances reported in the statement of net position that are not reported in the funds balance sheet are:

|                                    |  |           |           |
|------------------------------------|--|-----------|-----------|
| Capital leases payable             |  | (58,110)  |           |
| Compensated absences               |  | (324,047) |           |
| Accrued interest on long-term debt |  | (1,682)   | (383,839) |

|  |    |            |
|--|----|------------|
| Net position - Governmental activities | \$ | 20,822,381 |
|--|----|------------|

See accompanying notes to financial statements.

# Stanley-Boyd Area School District

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

Year Ended June 30, 2021

|                                  | General Fund      | Capital<br>Projects<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------|-------------------|-----------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                 |                   |                             |                                |                                |
| Local                            | \$ 2,819,089      | \$ 59,116                   | \$ 223,290                     | \$ 3,101,495                   |
| Interdistrict                    | 823,802           | -                           | -                              | 823,802                        |
| Intermediate                     | 148,474           | -                           | -                              | 148,474                        |
| State                            | 10,439,712        | -                           | 14,418                         | 10,454,130                     |
| Federal                          | 921,793           | -                           | 660,963                        | 1,582,756                      |
| Other                            | 79,997            | -                           | -                              | 79,997                         |
| <b>Total revenues</b>            | <b>15,232,867</b> | <b>59,116</b>               | <b>898,671</b>                 | <b>16,190,654</b>              |
| <b>Expenditures:</b>             |                   |                             |                                |                                |
| <b>Instruction:</b>              |                   |                             |                                |                                |
| Regular instruction              | 6,206,279         | -                           | -                              | 6,206,279                      |
| Vocational instruction           | 502,113           | -                           | -                              | 502,113                        |
| Special instruction              | 1,440,686         | -                           | -                              | 1,440,686                      |
| Other instruction                | 515,678           | -                           | 61,356                         | 577,034                        |
| <b>Total instruction</b>         | <b>8,664,756</b>  | <b>-</b>                    | <b>61,356</b>                  | <b>8,726,112</b>               |
| <b>Support services:</b>         |                   |                             |                                |                                |
| Pupil services                   | 573,844           | -                           | -                              | 573,844                        |
| Instructional staff services     | 487,389           | -                           | -                              | 487,389                        |
| General administration services  | 359,976           | -                           | -                              | 359,976                        |
| Building administration services | 554,912           | -                           | -                              | 554,912                        |
| Business services                | 195,890           | -                           | -                              | 195,890                        |
| Operations and maintenance       | 1,225,376         | -                           | 51,636                         | 1,277,012                      |
| Pupil transportation             | 1,337,039         | -                           | -                              | 1,337,039                      |
| Food services                    | -                 | -                           | 627,741                        | 627,741                        |
| Central services                 | 31,351            | -                           | -                              | 31,351                         |
| Insurance                        | 163,607           | -                           | -                              | 163,607                        |
| <b>Debt service:</b>             |                   |                             |                                |                                |
| Principal                        | 56,161            | -                           | -                              | 56,161                         |
| Interest                         | 6,587             | -                           | -                              | 6,587                          |
| Other support services           | 120,897           | -                           | -                              | 120,897                        |
| Community service                | -                 | -                           | 82,807                         | 82,807                         |
| <b>Total support services</b>    | <b>5,113,029</b>  | <b>-</b>                    | <b>762,184</b>                 | <b>5,875,213</b>               |
| <b>Total expenditures</b>        | <b>13,777,785</b> | <b>-</b>                    | <b>823,540</b>                 | <b>14,601,325</b>              |

**Stanley-Boyd Area School District**  
**Governmental Funds - Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances (Continued)**

Year Ended June 30, 2021

|  | General Fund | Capital<br>Projects<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------|-----------------------------|--------------------------------|--------------------------------|
| Excess of revenues over expenditures           | \$ 1,455,082 | \$ 59,116                   | \$ 75,131                      | \$ 1,589,329                   |
| Other financing sources (uses):                |              |                             |                                |                                |
| Transfers in                                   | -            | 2,053,164                   | -                              | 2,053,164                      |
| Transfers out                                  | (2,053,164)  | -                           | -                              | (2,053,164)                    |
| Proceeds from sale of capital assets           | 680,127      | -                           | -                              | 680,127                        |
| Net other financing sources (uses)             | (1,373,037)  | 2,053,164                   | -                              | 680,127                        |
| Net change in fund balances                    | 82,045       | 2,112,280                   | 75,131                         | 2,269,456                      |
| Fund balances - Beginning of year, as restated | 2,400,388    | 3,084,472                   | 401,242                        | 5,886,102                      |
| Fund balances - End of year                    | \$ 2,482,433 | \$ 5,196,752                | \$ 476,373                     | \$ 8,155,558                   |

See accompanying notes to financial statements.

# Stanley-Boyd Area School District

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

Year Ended June 30, 2021

Total net change in fund balances - Governmental funds \$ 2,269,456

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 an expenditure. 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 | \$ 959,015 |  |
| Depreciation expense reported in statement of activities | (661,925)  |  |

|   |  |         |
|---|--|---------|
| Amount by which capital outlay is greater than depreciation in the current period |  | 297,090 |
|---|--|---------|

Some employee benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

|   |             |  |
|---|-------------|--|
| Change in net OPEB asset - District OPEB plan                                 | (23,734)    |  |
| Change in net pension asset - WRS   | 1,180,728   |  |
| Change in deferred outflows of resources related to pensions - WRS            | 1,104,588   |  |
| Change in deferred outflows of resources related to OPEB - District OPEB plan | 5,620       |  |
| Change in deferred inflows of resources related to pensions - WRS             | (1,558,070) |  |

|  |  |         |
|--|--|---------|
| Amounts earned are greater than amounts paid |  | 709,132 |
|--|--|---------|

Unpaid compensated absences are a liability of the governmental funds only if the employee has resigned or retired.

|   |  |           |
|---|--|-----------|
| Amount by which the liability for sick and vacation pay changed in the current year |  | (125,758) |
|---|--|-----------|

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

|   |  |        |
|---|--|--------|
| The amount of principal payments on long-term obligations in the current year |  | 56,161 |
|---|--|--------|

# Stanley-Boyd Area School District

## Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities (Continued)

Year Ended June 30, 2021

The District disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of net position as a net loss. There is no effect on the governmental funds balance sheet.

|   |              |
|---|--------------|
| The value of capital assets disposed of during the year | \$ (835,119) |
| The amount of depreciation recaptured for the year      | 55,777       |

---

|   |              |
|---|--------------|
| The difference in the value of assets net of recaptured depreciation creates a loss | \$ (779,342) |
|---|--------------|

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.

|  |         |
|--|---------|
| The amount of interest paid during the current period    | 3,902   |
| The amount of interest accrued during the current period | (2,224) |

---

|   |       |
|---|-------|
| Interest accrued is greater than interest paid by | 1,678 |
|---|-------|

---

|   |                     |
|---|---------------------|
| <b>Change in net position - Governmental activities</b> | <b>\$ 2,428,417</b> |
|---|---------------------|

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See accompanying notes to financial statements.



# Stanley-Boyd Area School District

## Fiduciary Funds - Statement of Net Position

June 30, 2021

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|  | <b>Employee Benefit<br/>Trust Fund</b> |
|--|--|
| Assets:                                      |  |
| Cash and investments                         | \$ 1,473,359                           |
| <b>TOTAL ASSETS</b>                          | <b>\$ 1,473,359</b>                    |
| Net position:                                |  |
| Restricted for other postemployment benefits | \$ 1,473,359                           |
| <b>TOTAL NET POSITION</b>                    | <b>\$ 1,473,359</b>                    |

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See accompanying notes to financial statements.

**Stanley-Boyd Area School District**  
**Fiduciary Funds - Statement of Changes in Net Position**  
Year Ended June 30, 2021

|                                  | <b>Employee<br/>Benefit Trust<br/>Fund</b> |
|----------------------------------|--|
| <hr/>                            |  |
| Additions:                       |  |
| Employer contributions           | \$ 44,847                                  |
| Interest on Investments          | 27,062                                     |
| <hr/>                            |  |
| Total additions                  | 71,909                                     |
| <hr/>                            |  |
| Deductions:                      |  |
| Postemployment benefits paid     | 177,361                                    |
| <hr/>                            |  |
| Total deductions                 | 177,361                                    |
| <hr/>                            |  |
| Change in net position           | (105,452)                                  |
| Net position - Beginning of year | 1,578,811                                  |
| <hr/>                            |  |
| Net position - End of year       | \$ 1,473,359                               |
| <hr/>                            |  |

See accompanying notes to financial statements.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Introduction

The financial statements of the Stanley-Boyd Area School District (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 Stanley-Boyd Area School District is organized as a common school district. The District, governed by a seven-member elected school board, operates grades kindergarten through 12 and is comprised of all or part of 10 taxing districts.

This report includes all of the funds of the Stanley-Boyd Area School 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) 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

Management has adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities* that establishes standards of accounting and reporting for fiduciary activities. The implementation of this statement resulted in the beginning net position of the governmental activities as well as beginning fund balance of the other governmental funds to be restated. See Note 13 for more information.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **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 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 is 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.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Basis of Presentation** (Continued)

##### *Fund Financial Statements* (Continued)

The District reports the following major governmental funds:

- General Fund – This is the District’s primary operating fund. It accounts for all financial 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 reports the following nonmajor governmental funds:

- Donations Fund - This fund is used to account for gifts and donations that have been restricted by private parties for specific purposes.
- Food Service Fund - This fund is used to account for financial resources that are restricted to expenditure in the District's breakfast and lunch program.
- Community Service Fund - This fund is used to account for programs provided to the community as a whole.

The District accounts for resources legally held in trust for the District's other postemployment benefits in an employee benefit trust fund.

#### **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.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Measurement Focus and Basis of Accounting** (Continued)

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 investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less, shares in the local government investment pool, and amounts invested in AUL annuity contracts.

The Capital Projects Funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, 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 of Wisconsin Investment Board.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **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.

Funds held in the Employee Benefit Trust Fund to provide for other postemployment benefits may be invested in any kind of property or type of investment consistent with the prudent investor rule set forth in WI Stat. 881.01. This rule requires the trustee of an Employee Benefit Trust Fund to exercise reasonable care, skill, and caution when investing and managing the assets of the trust.

All investments are stated at fair market value except, for the investment in the local government investment pool and the AUL annuity contracts, which are reported on a cost-based measure.

#### **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."

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **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 years for land improvements and buildings and from 5 to 15 years for furniture and 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.

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.

#### **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.



# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources and District contributions subsequent to the measurement date of the collective net pension liability (asset) for the WRS plan, as well as deferred outflows related to its own District OPEB plan.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to the WRS pension plan.

#### **Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts**

Compensated Absences - The District's policy allows employees to earn varying amounts of sick pay each year employed; any unused days are allowed to accumulate. Upon retirement, the employee is entitled to a payout of \$20 for each unused day.

The District's policy allows non-teacher employees to earn varying amounts of vacation each year employed. Upon retirement or termination of employment, the employee is entitled to a prorated vacation based on the last year of service. Unused vacation can be carried over if approved by the employee's supervisor.

The vacation pay liability is calculated based on the pay or salary rates in effect at year-end. Under contractual retirement options, the District is liable for salary, social security, health and life insurance payments.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District OPEB plan and additions to/deductions from District fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments in AUL annuity contracts are reported on a cost-based measure.

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

#### Restricted Assets

Restricted assets are cash, cash equivalents, investments, the net pension asset, and the District's net OPEB asset whose use is limited by legal requirements such as a bond indenture or assets in an irrevocable trust.

#### Net Position

For government-wide reporting, net position is reported in three categories.

*Net investment in capital assets:* This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category. Unspent portions of capital-related debt proceeds are not included in this category.

*Restricted:* This category consists of noncapital assets whose use is restricted, reduced by liabilities and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its 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.

*Unrestricted:* This category consists of the remaining net position that does not meet the definition of the two preceding categories.

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

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### 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.

#### 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.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Property Tax Levy (Continued)**

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

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 3: Cash and Investments

#### 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, \$6,772,315 of the District's bank balance of \$8,322,315 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 commercial paper and corporate bonds to not more than seven years.

*Credit Risk:* State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool (LGIP). The District has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk:* For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. More than 5% of the District's investments are in annuity contracts with American United Life Insurance Company. These investments are 97.0% of the District's total investments. The investments with American United Life Insurance Company also represent 100.0% of the total investments reported in the Employee Benefit Trust Fund.

The District's cash and investment balances at June 30, 2021, were as follows:

|  | <b>Maturities</b> | <b>Fair Value</b>   |
|--|-------------------|---------------------|
| Local Government Investment Pool Fund                      | 73-day average    | \$ 45,678           |
| Mid America - Emp. Benefit Trust - AUL Annuity Contract    | N/A               | 1,473,359           |
| Total investments  |                   | 1,519,037           |
| Cash deposits with financial institutions carrying amount  |                   | 8,020,372           |
| Less - Cash and investments held by fiduciary funds        |                   | (1,473,359)         |
| Cash and investments reported on statement of net position |                   | <u>\$ 8,066,050</u> |

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 3: Cash and Investments (Continued)

The District is a participant in the LGIP, which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission (SEC) as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

### Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2021, are as follows:

| <i><b>Due From:</b></i> | <b>Due To:<br/>Capital<br/>Projects Fund</b> |
|-------------------------|--|
| General Fund            | \$ 2,053,164                                 |

The payable from the General Fund to the Capital Projects Fund is to make a funding contribution for the long-term projects of the District.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

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

| <i><b>Transfer From:</b></i> | <b>Transfer To:<br/>Capital<br/>Projects Fund</b> |
|------------------------------|---|
| General Fund                 | \$ 2,053,164                                      |

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

# Stanley-Boyd Area School District

## Notes to Financial Statements

### Note 5: Capital Assets

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

| Governmental Activities  | Beginning<br>Balance | Increases         | Decreases           | Ending<br>Balance    |
|--|----------------------|-------------------|---------------------|----------------------|
| Capital assets not being depreciated:  |                      |                   |                     |                      |
| Land   | \$ 203,385           | \$ -              | \$ -                | \$ 203,385           |
| <b>Total capital assets not being depreciated</b>                                    | <b>203,385</b>       | <b>-</b>          | <b>-</b>            | <b>203,385</b>       |
| Capital assets being depreciated:  |                      |                   |                     |                      |
| Land improvements  | 7,544,824            | -                 | -                   | 7,544,824            |
| Buildings and building improvements  | 12,677,404           | -                 | -                   | 12,677,404           |
| Furniture and equipment  | 4,407,094            | 959,015           | (835,119)           | 4,530,990            |
| <b>Total capital assets being depreciated</b>  | <b>24,629,322</b>    | <b>959,015</b>    | <b>(835,119)</b>    | <b>24,753,218</b>    |
| Less accumulated depreciation for:   |                      |                   |                     |                      |
| Land improvements  | (910,073)            | (194,183)         | -                   | (1,104,256)          |
| Buildings and building improvements  | (8,985,936)          | (259,024)         | -                   | (9,244,960)          |
| Furniture and equipment  | (2,390,195)          | (208,718)         | 55,777              | (2,543,136)          |
| <b>Total accumulated depreciation</b>  | <b>(12,286,204)</b>  | <b>(661,925)</b>  | <b>55,777</b>       | <b>(12,892,352)</b>  |
| <b>Total capital assets, being depreciated - Net<br/>of accumulated depreciation</b> | <b>12,343,118</b>    | <b>297,090</b>    | <b>(779,342)</b>    | <b>11,860,866</b>    |
| <b>Governmental activities capital assets - Net</b>                                  | <b>\$ 12,546,503</b> | <b>\$ 297,090</b> | <b>\$ (779,342)</b> | <b>\$ 12,064,251</b> |

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 5: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

|   |            |
|---|------------|
| Regular instruction                             | \$ 2,313   |
| Vocational instruction                          | 1,851      |
| Other instruction                               | 390        |
| Building administration services                | 1,043      |
| Business services                               | 5,650      |
| Operations and maintenance of plant             | 370,942    |
| Pupil transportation services                   | 66,880     |
| Central services                                | 39,845     |
| Depreciation not charged to a specific function | 173,011    |
| <hr/>   |            |
| Total depreciation for governmental activities  | \$ 661,925 |

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# Stanley-Boyd Area School District

## Notes to Financial Statements

### Note 6: Short-Term Notes Payable

The District issues tax and revenue anticipation notes in advance of tax collections and receipt of federal and state aids. These notes are necessary to allow the school to pay its operating expenditures. At June 30, 2021, the District has a \$600,000 tax and revenue anticipation note with Sterling Bank to be drawn upon as needed.

Short-term notes payable activity for the year ended June 30, 2021, was as follows:

| Description  | Balance<br>7/1/2020 | Issued            | Redeemed          | Balance<br>6/30/2021 |
|--|---------------------|-------------------|-------------------|----------------------|
| Sterling Bank - Tax and revenue anticipation note (1.65%), matured 5/28/2021 | \$ -                | \$ 450,000        | \$ 450,000        | \$ -                 |
| <b>Total</b>   | <b>\$ -</b>         | <b>\$ 450,000</b> | <b>\$ 450,000</b> | <b>\$ -</b>          |

Interest on short-term notes for the year totaled \$2,685

### Note 7: Long-Term Obligations

Long-term obligations of the District are as follows:

|                      | Balance<br>07/01/20 | Additions         | Reductions       | Balance<br>06/30/21 | Amounts Due<br>Within One<br>Year |
|----------------------|---------------------|-------------------|------------------|---------------------|-----------------------------------|
| Capital leases       | \$ 114,271          | \$ -              | \$ 56,161        | \$ 58,110           | \$ 58,110                         |
| Compensated absences | 198,289             | 165,207           | 39,449           | 324,047             | 101,314                           |
| <b>Totals</b>        | <b>\$ 312,560</b>   | <b>\$ 165,207</b> | <b>\$ 95,610</b> | <b>\$ 382,157</b>   | <b>\$ 159,424</b>                 |

The compensated absences will be liquidated by several of the governmental funds. Payments on the capital leases will be made by the General Fund.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 8: Leases

During the previous year, the District entered a lease for Chromebooks. The Chromebook lease, which expires August 20, 2022, is classified as a capital lease. The cost of the Chromebooks associated with the lease was \$174,000. The Chromebooks have not been capitalized since they did not meet the District's threshold for capitalization.

Future minimum payments, by year and in the aggregate, under the capital lease with initial or remaining terms in excess of one year consisted of the following:

|   | <b>Capital<br/>Lease</b> |
|---|--------------------------|
| 2022  | \$ 60,063                |
| Total minimum lease payments                | 60,063                   |
| Amount representing interest                | (1,953)                  |
| Present value of net minimum lease payments | 58,110                   |
| Less - Current maturities                   | 58,110                   |
| Long-term obligations under capital lease   | \$ -                     |

### Operating Lease as Lessee

The District leases building space for school activities at a rate of \$1,000 per month which renewed on August 1, 2020 through July 31, 2021. The lease is renewable annually unless notice occurs by July 1 of each year. Lease expense was \$11,800 for the year ended June 30, 2021.

### Operating Lease as Lessor

The District leases approximately 2,160 square feet of its Boyd Early Learning Center to a daycare operator at a rate of \$1,000 per month beginning June 1, 2020 through May 31, 2021. The lease is renewable annually unless notice occurs by May 1 of each year. Rent received for the year ended June 30, 2021 was \$12,000.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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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 at <http://etf.wi.gov/publications/cafr.htm>

#### Vesting

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

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective 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.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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

#### 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:

| <u>Year</u> | <u>Core<br/>Fund<br/>Adjustment</u> | <u>Variable<br/>Fund<br/>Adjustment</u> |
|-------------|-------------------------------------|---|
| 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 \$449,763 in contributions from the employer.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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

#### Contributions (Continued)

Contribution rates as of June 30, 2021, are as follows:

| <u>Employee Category</u>   | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (including teachers, executives,<br>and elected officials) | 6.75%           | 6.75%           |
| Protective with Social Security                                    | 6.75%           | 11.75%          |
| Protective without Social Security                                 | 6.75%           | 16.35%          |

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

At June 30, 2021, the District reported an asset of \$2,458,946 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 0.03938639%, which was a decrease of 0.00025498% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(277,483).

# Stanley-Boyd Area School District

## Notes to Financial Statements

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

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 3,558,851                         | \$ 766,570                          |
| Net differences between projected and actual earnings on pension plan investments                             | -                                    | 4,616,472                           |
| Change in assumptions   | 55,773                               | -                                   |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,715                                | 10,410                              |
| Employer contributions subsequent to the measurement date   | 279,652                              | -                                   |
| <b>Total</b>  | <b>\$ 3,895,991</b>                  | <b>\$ 5,393,452</b>                 |

\$279,652 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<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------|---|
| 2022               | \$ (458,350)  |
| 2023               | (125,795)   |
| 2024               | (837,699)   |
| 2025               | (355,269)   |

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### 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 normal               |
| Asset valuation method                            | Fair value                     |
| Long-term expected rate of return                 | 7.0%                           |
| Discount rate                                     | 7.0%                           |
| Salary Increases:                                 |                                |
| Inflation   | 3.0%                           |
| Seniority/Merit                                   | 0.1% - 5.6%                    |
| Mortality   | Wisconsin 2018 Mortality Table |
| 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.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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

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

Asset Allocation Targets and Expected Returns  
As of December 31, 2020

| Asset Class                | Asset<br>Allocation % | Long-Term<br>Expected<br>Nominal Rate<br>of Return % | Long-Term<br>Expected<br>Real Rate<br>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%  |
| <b>Total core fund</b>     | <b>115.0%</b>         | <b>6.6%</b>  | <b>4.1%</b>                                       |
| Variable fund:             |                       |  |   |
| U.S. equities              | 70.0%                 | 6.6%   | 4.1%  |
| International equities     | 30.0%                 | 7.4%   | 4.9%  |
| <b>Total variable fund</b> | <b>100.0%</b>         | <b>7.1%</b>  | <b>4.6%</b>                                       |

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.40%

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



# Stanley-Boyd Area School District

## Notes to Financial Statements

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability (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:

|   | <b>1% Decrease<br/>to Discount<br/>Rate (6.00%)</b> | <b>Current<br/>Discount<br/>Rate (7.00%)</b> | <b>1% Increase<br/>to Discount<br/>Rate (8.00%)</b> |
|---|---|--|---|
| District's proportionate share of the net pension liability (asset) | \$ 2,340,576  | \$ (2,458,946)                               | \$ (5,984,161)                                      |

### Pension Plan Fiduciary Net Position

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

### Payables to the Pension Plan

At June 30, 2021, the District reported a payable of \$171,640 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 10: Other Postemployment Benefits

#### Defined Benefit Plan

The District administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees as established by District policy. The School District Board manages the OPEB plan and has appointed MidAmerica Administrative and Retirement Solutions, Inc. as investment manager. There are 81 active plan members, 11 inactive plan members currently receiving benefits, and no inactive plan members entitled to but not yet receiving benefits.

The School Board has the authority to establish and amend the types of benefits provided through the OPEB plan. The plan provides funds for medical benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive funds for medical benefits for up to 10 years or until they are eligible for Medicare. The School Board determines the amount contributed to the trust. The plan does not issue a standalone report.

The OPEB plan investment policies and investment disclosures are discussed in Note 1 and Note 3. Currently the plan is invested in AUL annuity contracts. For June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 1.79%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB asset of the District at June 30, 2021, were as follows:

|   |                    |
|---|--------------------|
| Total OPEB liability  | \$ 1,454,053       |
| Plan fiduciary net position   | <u>(1,473,359)</u> |
| Net OPEB asset  | <u>\$ (19,306)</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 101.33 %           |

The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2021. The actuarial assumptions included an inflation rate of 2.00% and projected salary increases of 3.00%, average, including inflation. The investment rate of return was 2.25%, net of OPEB plan investment expense, including inflation. The medical care trend at a rate of 7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.00% and level thereafter. Actuarial assumptions are based upon an experience study conducted in 2018 using WRS experience from 2015-2017.

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 10: Other Postemployment Benefits (Continued)

#### Defined Benefit Plan (Continued)

The long-term expected rate of return on OPEB 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021, (see discussion of the plan's investment policy) are summarized in the following table:

| <i>Asset Class</i>    | <b>Long-Term<br/>Expected Real<br/>Rate of Return</b> |
|-----------------------|---|
| AUL annuity contracts | 2.25 %  |

The discount rate used to measure the total OPEB liability was 2.25%, and is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the single discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Stanley-Boyd Area School District

## Notes to Financial Statements

### Note 10: Other Postemployment Benefits (Continued)

#### Defined Benefit Plan (Continued)

Changes in the net OPEB asset for the year ended June 30, 2021, were as follows:

| <i>Changes in Net OPEB Asset</i> | Increase (Decrease)            |                                       |   |
|----------------------------------|--------------------------------|---------------------------------------|---|
|                                  | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(asset)<br>(a) - (b) |
| Balances at June 30, 2020        | \$ 1,535,771                   | \$ 1,578,811                          | \$ (43,040)                                   |
| Changes for the year:            |                                |                                       |   |
| Service cost                     | 57,525                         | -                                     | 57,525  |
| Interest                         | 33,261                         | -                                     | 33,261  |
| Contributions - Employer         | -                              | 44,847                                | (44,847)                                      |
| Net investment income            | -                              | 27,062                                | (27,062)                                      |
| Benefit payments                 | (172,504)                      | (172,504)                             | -   |
| Other changes                    | -                              | (4,857)                               | 4,857   |
| Net changes                      | (81,718)                       | (105,452)                             | 23,734  |
| Balances at June 30, 2021        | \$ 1,454,053                   | \$ 1,473,359                          | \$ (19,306)                                   |

The following presents the net OPEB liability (asset) of the District, calculated using the discount rate of 2.25%, as well as what the District's net OPEB liability (asset) would be if it were calculating using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

|                                       | 1% Decrease to<br>Discount Rate<br>(1.25%) | Current Discount<br>Rate (2.25%) | 1% Increase to<br>Discount Rate<br>(3.25%) |
|---------------------------------------|--|----------------------------------|--|
| District's net OPEB liability (asset) | \$ 17,921                                  | \$ (19,306)                      | \$ (57,676)                                |

# Stanley-Boyd Area School District

## Notes to Financial Statements

### Note 10: Other Postemployment Benefits (Continued)

#### Defined Benefit Plan (Continued)

The following represents the District's net OPEB liability (asset) calculated using the health care cost trend rate of 7.5% decreasing to 5.0%, as well as what the District's net OPEB liability (asset) would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (6.5% decreasing to 4.0%) or 1 percentage point higher (8.5% decreasing to 6.0%) than the current rate:

|                                       | 1% Decrease<br>(6.5% decreasing<br>to 4.0%) | Health Care Cost<br>Trend Rates (7.5%<br>decreasing to 5.0%) | 1% Increase to<br>(8.5% decreasing<br>to 6.0%) |
|---------------------------------------|---|--|--|
| District's net OPEB liability (asset) | \$ (103,569)                                | \$ (19,306)  | \$ 71,858                                      |

For the year ended June 30, 2021, the District recognized OPEB expense of \$62,961.

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

|   | Deferred<br>Outflows of<br>Resources |
|---|--------------------------------------|
| Net difference between projected and actual earnings on OPEB plan investments | \$ 5,620                             |
| <b>Total</b>  | <b>\$ 5,620</b>                      |

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

| Year Ended June 30: | Deferred Outflows<br>of Resources |
|---------------------|-----------------------------------|
| 2022                | \$ 1,405                          |
| 2023                | 1,405                             |
| 2024                | 1,405                             |
| 2025                | 1,405                             |

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 10: Other Postemployment Benefits (Continued)

#### Defined Contribution Plan

The District also sponsors a defined contribution retirement plan under Code Section 403(b) that allows all employees to make pretax voluntary contributions. The District will match up to \$1,950 of an eligible employee's contributions. After the tenth year of employment, the employee becomes fully vested in the matching contributions. Under these provisions, the District contributed \$144,674 during the current year. The plan is administered by National Insurance Services.

### 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. The District insures through commercial insurance companies for all risks of loss, except for dental care. 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 year 2021.

The District has retained the risk of loss for its dental program. The plan is accounted for in the General Fund of the District as required by the Department of Public Instruction. A third-party administrator is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District has no stop-loss coverage for dental care coverage of the plan.

At June 30, 2021, the District has recorded a \$15,967 liability, which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. This amount consists of outstanding claims, which were reported and unreported to the Plan Administrator. The amounts of reported and unreported claims for the District were estimated by the District.

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
| Unpaid claims at the beginning of the year | \$ 1,617    | \$ 9,169    |
| Current year claims                        | 137,511     | 88,410      |
| Claims payments                            | (123,161)   | (95,962)    |
| Unpaid claims at year end                  | \$ 15,967   | \$ 1,617    |

# Stanley-Boyd Area School District

## Notes to Financial Statements

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### Note 12: Jointly Governed Organization

The District is served by Cooperative Education Service Agency No. 10 (CESA). CESA is a regional service entity organized to serve the educational needs of 29 school districts in all or parts of Barron, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Jackson, Marathon, Price, Rusk, Sawyer, Taylor, and Trempealeau Counties. CESA is governed by an 11-member board of control elected from a delegate assembly, which consists of one school board member from each of the school districts in the CESA region, with special provisions made for areas served by union high/K-8 districts. Participating school districts have neither an ongoing financial interest nor responsibility. The District purchased \$199,835 of education services during the fiscal year. At June 30, 2021, due from other governments included \$26,957 to be received from CESA.

### Note 13: Prior Year Restatement

As a result of implementing GASB Statement No. 84, the beginning net position of the governmental activities and the beginning fund balance of the other governmental funds were restated as follows:

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| Balance at June 30, 2020, as previously reported | \$ 18,327,184                      |
| Adoption of GASB Statement No. 84 adjustment     | 66,780                             |
| Balance at June 30, 2020, as restated            | \$ 18,393,964                      |

|  | <b>Other<br/>Governmental<br/>Funds</b> |
|--|---|
| Balance at June 30, 2020, as previously reported | \$ 334,462                              |
| Adoption of GASB Statement No. 84 adjustment     | 66,780                                  |
| Balance at June 30, 2020, as restated            | \$ 401,242                              |

## **Required Supplementary Information**

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# Stanley-Boyd Area School District

## Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

|                                  | <u>Budgeted</u><br><u>Amounts</u> | <u>Actual on</u>  | <u>Variance With</u> |
|----------------------------------|-----------------------------------|-------------------|----------------------|
|                                  | <u>Original</u>                   | <u>Budgetary</u>  | <u>Final Budget</u>  |
|                                  | <u>and Final</u>                  | <u>Basis</u>      | <u>Positive</u>      |
|                                  |                                   |                   | <u>(Negative)</u>    |
| Revenues:                        |                                   |                   |                      |
| Local                            | \$ 2,957,109                      | \$ 2,819,089      | \$ (138,020)         |
| Interdistrict                    | 642,601                           | 790,730           | 148,129              |
| Intermediate                     | 12,748                            | 40,714            | 27,966               |
| State                            | 9,297,493                         | 10,068,221        | 770,728              |
| Federal                          | 574,692                           | 693,946           | 119,254              |
| Other                            | 27,000                            | 79,996            | 52,996               |
| <b>Total revenues</b>            | <b>13,511,643</b>                 | <b>14,492,696</b> | <b>981,053</b>       |
| Expenditures:                    |                                   |                   |                      |
| Instruction:                     |                                   |                   |                      |
| Undifferentiated curriculum      | 2,788,659                         | 2,717,303         | 71,356               |
| Regular curriculum               | 2,800,153                         | 2,702,797         | 97,356               |
| Vocational instruction           | 552,138                           | 502,113           | 50,025               |
| Physical curriculum              | 294,808                           | 280,425           | 14,383               |
| Co-curricular activities         | 282,815                           | 235,253           | 47,562               |
| <b>Total instruction</b>         | <b>6,718,573</b>                  | <b>6,437,891</b>  | <b>280,682</b>       |
| Support services:                |                                   |                   |                      |
| Pupil services                   | 323,824                           | 307,961           | 15,863               |
| Instructional staff services     | 847,675                           | 453,464           | 394,211              |
| General administration services  | 368,270                           | 359,976           | 8,294                |
| Building administration services | 591,996                           | 554,912           | 37,084               |
| Business administration          | 2,515,501                         | 2,744,238         | (228,737)            |
| Central services                 | 49,829                            | 31,351            | 18,478               |
| Insurance                        | 142,329                           | 163,607           | (21,278)             |
| Debt service                     | 70,063                            | 62,748            | 7,315                |
| Other support services           | 143,880                           | 112,109           | 31,771               |
| <b>Total support services</b>    | <b>5,053,367</b>                  | <b>4,790,366</b>  | <b>263,001</b>       |
| Non-program transactions:        |                                   |                   |                      |
| Purchased instructional services | 686,239                           | 786,179           | (99,940)             |
| <b>Total expenditures</b>        | <b>12,458,179</b>                 | <b>12,014,436</b> | <b>443,743</b>       |

**Stanley-Boyd Area School District**  
**Budgetary Comparison Schedule - General Fund (Continued)**  
Year Ended June 30, 2021

|                                      | <u>Budgeted<br/>Amounts</u> | <u>Actual on</u> | <u>Variance With</u> |
|--------------------------------------|-----------------------------|------------------|----------------------|
|                                      | <u>Original</u>             | <u>Budgetary</u> | <u>Final Budget</u>  |
|                                      | <u>and Final</u>            | <u>Basis</u>     | <u>Positive</u>      |
|                                      |                             |                  | <u>(Negative)</u>    |
| Excess of revenues over expenditures | \$ 1,053,464                | \$ 2,478,260     | \$ 1,424,796         |
| Other financing sources (uses):      |                             |                  |                      |
| Transfers out                        | (1,158,464)                 | (3,076,342)      | (1,917,878)          |
| Proceeds from sale of capital assets | 105,000                     | 680,127          | 575,127              |
| Net other financing sources (uses)   | (1,053,464)                 | (2,396,215)      | (1,342,751)          |
| Net change in fund balance           | -                           | 82,045           | 82,045               |
| Fund balance - Beginning of year     | 2,400,388                   | 2,400,388        | -                    |
| Fund balance - End of year           | \$ 2,400,388                | \$ 2,482,433     | \$ 82,045            |

See Independent Auditor's Report.

See accompanying notes to the Budgetary Comparison Schedule - General Fund.

# Stanley-Boyd Area School District

## Notes to the Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

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### **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.

**Stanley-Boyd Area School District**  
**Notes to the Budgetary Comparison Schedule - General Fund (Continued)**  
Year Ended June 30, 2021

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**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*:

|                                   | <b>General Fund<br/>Actual on<br/>Budgetary<br/>Basis</b> | <b>Special<br/>Education<br/>Fund</b> | <b>General Fund<br/>Actual on<br/>GAAP Basis</b> |
|-----------------------------------|---|---------------------------------------|--|
| Revenues                          | \$ 14,492,696   | \$ 740,171                            | \$ 15,232,867                                    |
| Expenditures                      | (12,014,436)  | (1,763,349)                           | (13,777,785)                                     |
| Other financing sources (uses)    | (2,396,215)   | 1,023,178                             | (1,373,037)                                      |
| <b>Net change in fund balance</b> | <b>\$ 82,045</b>  | <b>\$ -</b>                           | <b>\$ 82,045</b>                                 |

**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:

|                                  | <b>Budget</b> | <b>Actual</b> | <b>Actual Over<br/>Budget</b> |
|----------------------------------|---------------|---------------|-------------------------------|
| Business administration          | \$ 2,515,501  | \$ 2,744,238  | \$ 228,737                    |
| Insurance                        | 142,329       | 163,607       | 21,278                        |
| Purchased instructional services | 686,239       | 786,179       | 99,940                        |

# Stanley-Boyd Area School District

## Schedules 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<br>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                             | 0.03938639 %   | \$ (2,458,946)  | \$ 6,474,307               | (37.98)%   | 105.26 %   |
| 2019                             | 0.03964137   | (1,278,218)   | 6,366,817                  | (20.08)  | 102.96   |
| 2018                             | 0.03982466   | 1,416,836   | 6,098,309                  | 23.23  | 96.45  |
| 2017                             | 0.03950740   | (1,173,021)   | 5,863,614                  | (20.01)  | 102.93   |
| 2016                             | 0.03930173   | 323,940   | 5,829,129                  | 5.56   | 99.12  |
| 2015                             | 0.03870504   | 628,949   | 5,497,314                  | 11.44  | 98.20  |
| 2014                             | 0.03817727   | (937,738)   | 5,441,184                  | (17.23)  | 102.74   |

### Schedule of the Employer Contributions

#### Wisconsin Retirement System (WRS)

Last 10 Fiscal Years\*

| Year Ended<br>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                   | \$ 449,763   | \$ 449,763  | \$ -                             | \$ 6,719,715                                   | 6.69 %   |
| 2020                   | 430,088  | 430,088   | -                                | 6,447,207                                      | 6.67   |
| 2019                   | 408,586  | 408,586   | -                                | 6,098,309                                      | 6.70   |
| 2018                   | 398,734  | 398,734   | -                                | 5,863,614                                      | 6.80   |
| 2017                   | 385,013  | 385,013   | -                                | 5,829,129                                      | 6.60   |
| 2016                   | 373,816  | 373,816   | -                                | 5,497,314                                      | 6.80   |
| 2015                   | 380,883  | 380,883   | -                                | 5,441,184                                      | 7.00   |

**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 changes in the assumptions were noted from 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.

**Stanley-Boyd Area School District**  
**Schedule of Changes in the Employer's Net OPEB**  
**Asset and Related Ratios - District OPEB Plan**  
Last 10 Fiscal Years\*

|   | 2021               | 2020               |
|---|--------------------|--------------------|
| Measurement date  | 6/30/2021          | 6/30/2020          |
| Total OPEB liability:   |                    |                    |
| Service cost  | \$ 57,525          | \$ 56,259          |
| Interest  | 33,261             | 34,246             |
| Benefit payments  | (172,504)          | (97,285)           |
| Net change in total OPEB liability                                      | (81,718)           | (6,780)            |
| Total OPEB liability - Beginning  | 1,535,771          | 1,542,551          |
| <b>Total OPEB liability - Ending</b>                                    | <b>\$1,454,053</b> | <b>\$1,535,771</b> |
| Plan fiduciary net position:  |                    |                    |
| Contributions - Employer  | \$ 44,847          | \$ -               |
| Net investment income   | 27,062             | 28,785             |
| Adjustments   | (4,857)            | -                  |
| Benefit payments  | (172,504)          | (97,285)           |
| Net change in plan fiduciary net position                               | (105,452)          | (68,500)           |
| Plan fiduciary net position - Beginning                                 | 1,578,811          | 1,647,311          |
| <b>Plan fiduciary net position - Ending</b>                             | <b>\$1,473,359</b> | <b>\$1,578,811</b> |
| <b>District's net OPEB asset - Ending</b>                               | <b>\$ (19,306)</b> | <b>\$ (43,040)</b> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 101.33 %           | 102.80 %           |
| Covered-employee payroll  | \$4,447,882        | \$4,447,882        |
| District's net OPEB asset as a percentage of covered-employee payroll   | (0.43)%            | (0.97)%            |

\*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Stanley-Boyd Area School District**  
**Schedule of Employer Contributions - District OPEB Plan**  
 Last 10 Fiscal Years\*

|  | 2021            | 2020             |
|--|-----------------|------------------|
| Actuarially determined contribution                                  | \$ 52,685       | \$ 52,685        |
| Contributions in relation to the actuarially determined contribution | 44,847          | -                |
| <b>Contribution deficiency (excess)</b>                              | <b>\$ 7,838</b> | <b>\$ 52,685</b> |
| Covered-employee payroll   | \$ 4,447,882    | \$ 4,447,882     |
| Contributions as a percentage of covered-employee payroll            | 1.01 %          | - %              |

\*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Stanley-Boyd Area School District**  
**Schedule of Investment Returns - District OPEB Plan**  
Last 10 Fiscal Years\*

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|   | 2021   | 2020   |
|---|--------|--------|
| Annual money-weighted rate of return, net of investment expense | 1.79 % | 1.80 % |

\*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.



# Stanley-Boyd Area School District

## Notes to Required Supplementary Information - District OPEB Plan

Year Ended June 30, 2021

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### Note 1: Valuation date

The actuarially determined contribution rate was calculated as of June 30, 2019.

### Note 2: Methods and Assumptions Used to Determine Contribution Rates

|                                |   |
|--------------------------------|---|
| Valuation date:                | June 30, 2019   |
| Actuarial cost method:         | Entry age normal,<br>level percent of salary  |
| Amortization method:           | Level dollar  |
| Remaining amortization period: | 30 years  |
| Asset valuation method:        | Market value  |
| Inflation:                     | 2.0%  |
| Health care trend rates:       | 7.50% initial, decreasing by 0.5% per<br>year down to 6.50%, then by 0.10% per<br>year down to 5.0%, and level thereafter |
| Salary increases:              | 3.0%, average, including inflation  |
| Investment rate of return:     | 2.25%   |
| Trend and retirement:          | Wisconsin Retirement System (WRS)<br>experience study from 2015-2017  |

## **Supplementary Financial Information**

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# Stanley-Boyd Area School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title | Federal AL<br>Number | Pass-Through<br>Entity Identifying Number | Accrued<br>(Deferred)<br>Revenue<br>7/1/2020 | Cash<br>Received | Federal<br>Expenditures | Accrued<br>(Deferred)<br>Revenue<br>6/30/2021 | Amount<br>Provided to<br>Subrecipients |
|--|----------------------|---|--|------------------|-------------------------|---|--|
| U.S. DEPARTMENT OF AGRICULTURE                                   |                      |   |  |                  |                         |   |  |
| Wisconsin Department of Public Instruction                       |                      |   |  |                  |                         |   |  |
| COVID-19 National School Lunch Program<br>(Non-Cash Assistance)  | 10.555               | 2021-095593-DPI-NSL-547                   |  |                  |                         |   |  |
| July 1, 2020-June 30, 2021                                       |                      |   | \$ -   | \$ 49,086        | \$ 49,086               | \$ -  | -                                      |
| COVID-19 Summer Food Service Program                             | 10.559               | 2021-095593-DPI-SFSP-566                  |  |                  |                         |   |  |
| July 1, 2020-June 30, 2021                                       |                      |   | 39,121                                       | 616,697          | 599,485                 | 21,909  | -                                      |
| <b>TOTAL CHILD NUTRITION CLUSTER</b>                             |                      |   | <b>39,121</b>                                | <b>665,783</b>   | <b>648,571</b>          | <b>21,909</b>                                 | <b>-</b>                               |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                      |                      |   | <b>39,121</b>                                | <b>665,783</b>   | <b>648,571</b>          | <b>21,909</b>                                 | <b>-</b>                               |
| U.S. DEPARTMENT OF EDUCATION                                     |                      |   |  |                  |                         |   |  |
| Wisconsin Department of Public Instruction                       |                      |   |  |                  |                         |   |  |
| Special Education Cluster (IDEA)                                 |                      |   |  |                  |                         |   |  |
| Special Education Grants to State                                | 84.027               | 2021-095593-IDEA-FT-341                   |  |                  |                         |   |  |
| July 1, 2020-June 30, 2021                                       |                      |   | 137,966                                      | 352,506          | 257,619                 | 43,079  | -                                      |
| Special Education Preschool Grants                               | 84.173               | 2021-095593-DPI-IDEA-P-347                |  |                  |                         |   |  |
| July 1, 2020-June 30, 2021                                       |                      |   | 3,429  | 9,684            | 8,929                   | 2,674   | -                                      |
| <b>Total Special Education Cluster (IDEA)</b>                    |                      |   | <b>141,395</b>                               | <b>362,190</b>   | <b>266,548</b>          | <b>45,753</b>                                 | <b>-</b>                               |

# Stanley-Boyd Area School District

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title                         | Federal AL<br>Number | Pass-Through<br>Entity Identifying Number | Accrued<br>(Deferred)<br>Revenue<br>7/1/2020 | Cash<br>Received | Federal<br>Expenditures | Accrued<br>(Deferred)<br>Revenue<br>6/30/2021 | Amount<br>Provided to<br>Subrecipients |
|--|----------------------|---|--|------------------|-------------------------|---|--|
| U.S. DEPARTMENT OF EDUCATION (Continued)   |                      |   |  |                  |                         |   |  |
| Wisconsin Department of Public Instruction   |                      |   |  |                  |                         |   |  |
| Title I Grants to Local Educational Agencies<br>July 1, 2020-June 30, 2021               | 84.010               | 2021-095593-DPI-TIA-141                   | \$ -   | \$ 260,201       | \$ 262,038              | \$ 1,837                                      | \$ -                                   |
| Improving Teacher Quality State Grants<br>July 1, 2020-June 30, 2021                     | 84.367               | 2021-095593-DPI-TIIA-365                  | -  | 42,965           | 42,965                  | -   | -                                      |
| Student Support and Academic Enrichment<br>Grants<br>July 1, 2020-June 30, 2021          | 84.424               | 2021-095593-DPI-TIV-A-381                 | -  | 16,293           | 16,293                  | -   | -                                      |
| Elementary and Secondary School<br>Emergency Relief Fund<br>July 1, 2020-June 30, 2021   | 84.425D              | 2021-095593-DPI-ESSERF-160                | -  | 99,212           | 186,341                 | 87,129  | -                                      |
| Governor's Emergency Education Relief<br>Fund<br>July 1, 2020-June 30, 2021              | 84.425C              | 2021-095593-DPI-GEERF-162                 | -  | 160,000          | 160,000                 | -   | -                                      |
| CESA #10   |                      |   |  |                  |                         |   |  |
| Career and Technical Education - Basic<br>Grants to States<br>July 1, 2020-June 30, 2021 | 84.048               | 2021-095593-DPI-CTE-400                   | -  | 8,906            | 8,906                   | -   | -                                      |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>  |                      |   | <b>141,395</b>                               | <b>949,767</b>   | <b>943,091</b>          | <b>134,719</b>                                | <b>-</b>                               |

# Stanley-Boyd Area School District

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title | Federal AL<br>Number | Pass-Through<br>Entity Identifying Number | Accrued<br>(Deferred)<br>Revenue<br>7/1/2020 | Cash<br>Received | Federal<br>Expenditures | Accrued<br>(Deferred)<br>Revenue<br>6/30/2021 | Amount<br>Provided to<br>Subrecipients |
|--|----------------------|---|--|------------------|-------------------------|---|--|
| U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:                     |                      |   |  |                  |                         |   |  |
| Wisconsin Department of Health Services                          |                      |   |  |                  |                         |   |  |
| CESA#10  |                      |   |  |                  |                         |   |  |
| Medicaid Cluster   |                      |   |  |                  |                         |   |  |
| Medical Assistance Program                                       | 93.778               | N/A                                       | \$ 41,707                                    | \$ 116,256       | \$ 109,391              | \$ 34,842                                     | \$ -                                   |
| July 1, 2020-June 30, 2021                                       |                      |   |  |                  |                         |   |  |
| <b>TOTAL MEDICAID CLUSTER</b>                                    |                      |   | 41,707                                       | 116,256          | 109,391                 | 34,842  | -                                      |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>        |                      |   | 41,707                                       | 116,256          | 109,391                 | 34,842  | -                                      |
| <b>TOTAL FEDERAL AWARDS</b>                                      |                      |   | \$ 222,223                                   | \$ 1,731,806     | \$ 1,701,053            | \$ 191,470                                    | \$ -                                   |

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Assistance.

# Stanley-Boyd Area School District

## Schedule of State Financial Assistance

Year Ended June 30, 2021

| State Grantor/Pass-Through<br>Grantor/Program or Cluster Title | State<br>Identification<br>Number | Pass-Through<br>Entity Identifying<br>Number | Accrued<br>(Deferred)<br>Revenue<br>7/1/2020 | Cash<br>Received | State<br>Expenditures | Accrued<br>(Deferred)<br>Revenue<br>6/30/2021 | Amount<br>provided to<br>Subrecipients |
|--|-----------------------------------|--|--|------------------|-----------------------|---|--|
| WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION                     |                                   |  |  |                  |                       |   |  |
| Special Education and School Age Parents                       | 255.101                           |  |  |                  |                       |   |  |
| District Programs  |                                   | 095593-100                                   | \$ -   | \$ 366,632       | \$ 366,632            | \$ -  | -                                      |
| Participant in Package Program CESA #10                        |                                   | N/A  | -  | 22,727           | 22,727                | -   | -                                      |
| <b>Total Special Education and School Age Parents</b>          |                                   |  | -  | 389,359          | 389,359               | -   | -                                      |
| State School Lunch Aid   | 255.102                           | 095593-107                                   | -  | 6,010            | 6,010                 | -   | -                                      |
| Common School Fund Library Aid                                 | 255.103                           | 095593-104                                   | -  | 53,378           | 53,378                | -   | -                                      |
| Gen Trans Aid for Public and NP Sch Pupils                     | 255.107                           | 095593-102                                   | -  | 64,943           | 64,943                | -   | -                                      |
| WI School Day Milk   | 255.115                           | 095593-109                                   | -  | 3,604            | 3,604                 | -   | -                                      |
| Equalization Aid   | 255.201                           | 095593-116                                   | 128,668                                      | 8,015,974        | 8,013,930             | 126,624                                       | -                                      |
| High Cost Special Education                                    | 255.210                           | 095593-119                                   | -  | 1,859            | 1,859                 | -   | -                                      |
| Supplemental Per Pupil Aid                                     | 255.245                           | 095593-181                                   | -  | 3,264            | 3,264                 | -   | -                                      |
| State School Breakfast Aid                                     | 255.344                           | 095593-108                                   | -  | 4,805            | 4,805                 | -   | -                                      |
| Early College Credit Program                                   | 255.445                           | 095593-178                                   | -  | 526              | 526                   | -   | -                                      |
| Student Achievement Guarantee in Education                     | 255.504                           | 095593-160                                   | -  | 374,811          | 374,811               | -   | -                                      |
| Aid for High Poverty School District                           | 255.926                           | 095593-121                                   | -  | 73,986           | 73,986                | -   | -                                      |
| Educator Effective Eval Sys Grants Public                      | 255.940                           | 095593-154                                   | -  | 8,160            | 8,160                 | -   | -                                      |
| Per Pupil Aid  | 255.945                           | 095593-113                                   | -  | 796,908          | 796,908               | -   | -                                      |
| High Cost Transportation Aid                                   | 255.947                           | 095593-114                                   | -  | 615,388          | 615,388               | -   | -                                      |
| Career and Technical Education Incentive Grants                | 255.950                           | 095593-152                                   | -  | 6,381            | 6,381                 | -   | -                                      |
| Assessments of Reading Readiness                               | 255.956                           | 095593-166                                   | -  | 3,434            | 3,434                 | -   | -                                      |
| Aid for Special Education Transition Grant BBL                 | 255.960                           | 095593-168                                   | -  | 3,000            | 3,000                 | -   | -                                      |
| <b>Total Wisconsin Department of Public Instruction</b>        |                                   |  | 128,668                                      | 10,425,790       | 10,423,746            | 126,624                                       | -                                      |

# Stanley-Boyd Area School District

## Schedule of State Financial Assistance (Continued)

Year Ended June 30, 2021

| State Grantor/Pass-Through<br>Grantor/Program or Cluster Title | State<br>Identification<br>Number | Pass-Through<br>Entity Identifying<br>Number | Accrued<br>(Deferred)<br>Revenue<br>7/1/2020 | Cash<br>Received     | State<br>Expenditures | Accrued<br>(Deferred)<br>Revenue<br>6/30/2021 | Amount<br>provided to<br>Subrecipients |
|--|-----------------------------------|--|--|----------------------|-----------------------|---|--|
| WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT                  |                                   |  |  |                      |                       |   |  |
| CESA #10   |                                   |  |  |                      |                       |   |  |
| Chippewa Valley Youth Apprenticeship                           | 20.445(7)(b)                      | N/A  | \$ -   | \$ 7,450             | \$ 7,450              | \$ -  | -                                      |
| WISCONSIN DEPARTMENT OF JUSTICE                                |                                   |  |  |                      |                       |   |  |
| School Safety Grant  | 455.206                           | N/A  | 16,472                                       | 32,303               | 15,831                | -   | -                                      |
| <b>TOTAL STATE FINANCIAL ASSISTANCE</b>                        |                                   |  | <b>\$ 145,140</b>                            | <b>\$ 10,465,543</b> | <b>\$ 10,447,027</b>  | <b>\$ 126,624</b>                             | <b>\$ -</b>                            |

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

# **Stanley-Boyd Area School District**

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

Year Ended June 30, 2021

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### **Note 1: Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant 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 modified 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: Summary of Significant Accounting Policies**

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 were \$1,409,416.



# Other Reports

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

Board of Education  
Stanley-Boyd Area School District  
Stanley, 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 Stanley-Boyd Area School District (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 15, 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.

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 described in the accompanying schedule of findings and questioned costs, we did identify a deficiency in internal control that we consider to be a material weakness and other 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

## **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.



Wipfli LLP

December 15, 2021  
Eau Claire, Wisconsin

## **Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance**

Board of Education  
Stanley-Boyd Area School District  
Stanley, Wisconsin

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

We have audited the Stanley-Boyd Area School District (the "District")'s 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 the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with 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.

### **Basis for Qualified Opinion on Pupil Transportation**

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding State I.D Number 255.107, Pupil Transportation, as described in 2021-003 and 2021-004 for reporting. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

### **Qualified Opinion on Pupil Transportation**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 its Pupil Transportation program for the year ended June 30, 2021.

### **Unmodified Opinion on Each of the Other Major Federal and State Programs**

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-004, that we consider to be material weaknesses.

The District's responses to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the responses.

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 requirements of the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

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

Wipfli LLP

December 15, 2021  
Eau Claire, Wisconsin

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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### I. Summary of Auditor's Results

#### Financial Statements

|   |  |
|---|--|
| Type of auditor's report issued:                          | Unmodified                                   |
| Internal control over financial reporting:                |  |
| Material weakness(es) identified?                         | <u>  X  </u> Yes <u>      </u> No            |
| Significant deficiency(ies) identified?                   | <u>  X  </u> Yes <u>      </u> None reported |
| Noncompliance material to the financial statements noted? | <u>      </u> Yes <u>  X  </u> No            |

#### Federal Awards

|   |  |
|---|--|
| Internal control over major federal programs: |  |
| Material weakness(es) identified?             | <u>      </u> Yes <u>  X  </u> No            |
| Significant deficiency(ies) identified?       | <u>      </u> Yes <u>  X  </u> None Reported |

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

|  |                                   |
|--|-----------------------------------|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u>      </u> Yes <u>  X  </u> No |
|--|-----------------------------------|

Identification of major federal program(s)

| AL Number   | Name of Federal Program or Cluster          |
|---|---|
| 10.555 and 10.559<br>93.778   | Child Nutrition Cluster<br>Medicaid Cluster |
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000                                   |
| Auditee qualified as a low-risk auditee?                                | No  |

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### I. Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?

  X   Yes           No

Significant deficiency(ies) identified?

       Yes      X   None reported

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

Pupil Transportation - Qualified  
All others - Unmodified

Any audit findings disclosed that are required to be reported in accordance with *State of Wisconsin Single Audit Guidelines*?

  X   Yes           No

Identification of major state program(s):

**State I.D. Number**

**Name of State Program**

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255.201

General Equalization Aid

255.926

Aid for High Poverty School District

255.107

Pupil Transportation

Special Education and School Age

255.101

Parents

Federal programs tested as state major:

93.778

Medicaid Cluster



# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### 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.

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### II. Financial Statement Findings (Continued)

#### 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.

### III. Federal Findings and Questioned Costs

None.

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### III. State Findings and Questioned Costs

2021-003: Reporting

Programs Affected - Pupil Transportation State I.D. Number 255.107, Grant No. 095593-102, direct from the Wisconsin Department of Public Instruction (DPI), Grant Period: July 1, 2020 through June 30, 2021.

Criteria - The District should have an accurate listing of pupils transported at least once during the school year with home-to-school distance using the most direct route.

Condition - During our testing of the District's pupil transportation program for 2021, we selected a total of 40 students from the various mileage categories. Four out of the 40 students tested were reported in the incorrect mileage category.

Known Questioned Costs - Unknown

Cause - Mileage calculations were not reviewed to ensure they were accurately reported.

Effect - The District's aid calculation for the Pupil Transportation program may not be correct.

Recommendation - We recommend that the District implement policies and procedures to make sure the home-to-school or instructional site distance using the most direct route is regularly updated to ensure proper reporting.

Management's Response - The District will establish and follow procedures and practices for measuring distances to school.

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### IV. State Findings and Questioned Costs (Continued)

#### 2021-004: Reporting

Programs Affected - Pupil Transportation State I.D. Number 255.107, Grant No. 095593-102, direct from the Wisconsin Department of Public Instruction (DPI), Grant Period: July 1, 2020 through June 30, 2021.

Criteria -The District should have available, as supporting documentation, a listing of pupils transported at least once during the school year with home-to-school distance (regular school year and summer school year transportation).

Condition - During our reconciliation of the Department of Public Instruction Pupil Transportation report to the District's listing of pupils transported, Wipfli noted there were 8 more students reported on the Department of Public Instruction Pupil Transportation report than supported by the District's documentation.

Known Questioned Costs - Unknown

Cause - The District did not maintain the supporting documentation used to complete the Department of Public Instruction Pupil Transportation report.

Effect - The District's aid calculation for the Pupil Transportation program may not be correct.

Recommendation - We recommend that the District maintain all supporting documentation utilized to complete annual reporting.

Management's Response - The District will establish and follow procedures and practices for maintaining accurate pupil transportation reports.

# Stanley-Boyd Area School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### 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    | Yes |
| Department of Justice               | No  |
| Department of Workforce Development | No  |
| Department of Health Services       | No  |

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

Name of Partner



\_\_\_\_\_  
Robert Ganschow, CPA, CE

Date

\_\_\_\_\_  
December 15, 2021

# Stanley-Boyd Area School District

## Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

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### Financial Statement Findings

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

2020-002: Financial Accounting and Reporting - See finding 2021-002.

2020-003: Material Adjustments -

Condition Noted - During our audit, Wipfli LLP proposed material adjusting journal entries related to capital assets and other postemployment benefits. The adjusting journal entries did not have an effect on any completed grant contracts during the year. Since the District's internal controls did not discover these adjustments prior to our audit, a material weakness exists in the District's controls.

Current Year Condition - The District reduced the number of material adjusting journal entries proposed by the auditor.

### Federal Award Findings and Questioned Costs

2020-004: Written Policies

Condition Noted - The District has no written policies in place to ensure activities related to procurement, cash management, or allowability of costs are in accordance with the Uniform Guidance.

Current Year Condition - The District adopted the required policies on October 26, 2020.

### State Financial Assistance Findings and Questioned Costs

None.

December 15, 2021

School District of Stanley-Boyd  
507 E. First Avenue  
Stanley, WI 54758

The School District of Stanley-Boyd submits the following corrective action plans for the identified findings and questioned costs for the year ended June 30, 2021.

Finding 2021-001: Segregation of Duties

Corrective Action Plan – The District does not have the resources available to increase staff size and eliminate the 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.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

Finding 2021-002: Financial Accounting and Reporting

Corrective Action Plan – We have engaged the audit organization to prepare financial statements and note disclosures. We will continue to review, approve and accept responsibility for the audit reporting package.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

Finding 2021-003: Reporting

Corrective Action Plan – The District will follow established procedures and practices for measuring distances to school.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

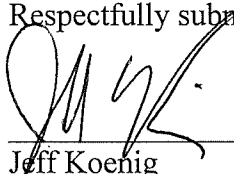
Finding 2021-004: Reporting

Corrective Action Plan – The District will follow established procedures and practices for maintaining accurate pupil transportation reports.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

Respectfully submitted,



Jeff Koenig  
District Administrator