

FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2021

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12

BASIC FINANCIAL STATEMENTS

Statement of Net Position	13
Statement of Activities	14
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Notes to Financial Statements	19-41

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability and Related Ratios - Other Post Employment Benefits Plan - 10 Year Schedule	42
Notes to Required OPEB Plan Schedule	43
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System - 10 Year Schedule	44
Schedule of the District's Contributions - Wisconsin Retirement System - 10 Year Schedule	45
Notes to Required WRS Schedules	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	47
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Education Fund	48

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	49
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	50
Combining Balance Sheet - General Fund	51
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund	52
Schedule of Expenditures of Federal Awards	53
Schedule of Expenditures of State Awards	54
Notes to Schedules of Expenditures of Federal and State Awards	55
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 <i>Government Auditing Standards</i>	56-57
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Audit Guidelines</i>	58-59
Schedule of Findings and Questioned Costs	60-63
Summary Schedule of Prior Year Audit Findings	64
Corrective Action Plan	65



Erickson & Associates, S.C.

Certified Public Accountants

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149
www.erickson-cpas.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
Freedom Area School District
Freedom, 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 Freedom Area School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Freedom 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 of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The nonmajor governmental funds, nonmajor special revenue funds, general fund, and agency funds combining schedules, listed as other supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, and are also not a required part of the financial statements.

The nonmajor governmental funds, nonmajor special revenue funds, general fund, and agency funds combining schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 a report dated December 22, 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 District's internal control over financial reporting and compliance.

Erickson & Associates, S.C.

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

December 22, 2021

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

This section of Freedom Area School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- General Fund (Fund 10) fund balance increased by \$44,066 to \$3,328,492. The fund balance is 16.59% of general fund expenditures. The Board of Education policy is to have a fund balance of greater than 5%.
- General Fund actual revenues of \$20,104,263 were \$15,316 less than final budgeted revenues of \$20,119,579. Actual expenditures of \$20,060,197 were \$59,382 less than the final budgeted expenditures of \$20,119,579.
- For 2020-2021 the District increased compensation to support staff and administrative staff by the allowed CPI increase of 1.23%. The District continued with health and wellness initiatives to keep costs contained in that area. The cost of salaries and fringe benefits for the District across all funds and for all purposes was \$15,387,011 during 2020-2021 or 64.3% of the entire budget.
- For the 2020-2021 school year the District returned to in-person instruction with an option for students to remain virtual if needed. The District received and used federal dollars to assist with the purchase of PPE and cleaning supplies, items to provide virtual instruction for classrooms, additional lap tops and hot spots. As a District we were proud to be able to offer this instruction to our students.

The District website can be found at www.freedomschools.k12.wi.us. Much more information on these topics can be found there.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts - management's discussion and analysis and the basic financial statements, including notes to the financial statements and supplementary information.

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

District-wide Financial Statements

- The *Statement of Net Position* compares assets to liabilities to give an overall view of the financial health of the District. This statement includes fixed assets and long-term liabilities.
- The *Statement of Activities* defines the District's expenses by function and illustrates the total that is offset by corresponding revenues - charges for services and/or operating grants and contributions. General revenues and extraordinary credits are identified. The result is total net expense offset by general and miscellaneous revenue - recognizing the change in net position for the District from the previous year.

Fund Financial Statements

- The *Balance Sheet - Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds* focus on individual parts of the District. Fund financial statements generally report operations in more detail than the district-wide statements.
- The *Notes to Financial Statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.
- *Required Supplementary Information* further explains and supports the financial statements.
- *Other Supplementary Information* provides information specific to nonmajor governmental funds and the schedules of expenditures of federal and state awards.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

The major features of the District’s financial statements, including the scope of the activities reported and type of information contained is shown in the following table. (Table #1)

Table #1

		-----Fund Financial Statements-----	
	District-wide Statements	Governmental	Proprietary
Scope	Entire District (except fiduciary funds).	The activity of the District that is not proprietary or fiduciary, such as instructional, support services, and community services.	Activities the District operates similar to private business. <u>The District does not report any program for this designation.</u>
Required financial statements	Statement of net position and statement of activities.	Balance sheet and statement of revenues, expenditures, and changes in fund balance.	Statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.
Basis of accounting and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, and expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Table #2

Condensed Statement of Net Position			
	<u>2021</u>	As Restated, <u>2020</u>	<u>% Change</u>
<u>Assets</u>			
Current Assets	\$6,847,519	\$5,857,049	17%
Capital Assets	\$9,274,600	\$9,656,516	(4%)
Noncurrent Assets	\$3,701,393	\$1,935,347	91%
Total Assets	\$19,823,512	\$17,448,912	14%
<u>Deferred Outflows of Resources</u>			
	\$6,571,915	\$8,352,772	(21%)
<u>Liabilities</u>			
Current Liabilities	\$1,113,081	\$887,627	25%
Noncurrent Liabilities	\$9,455,074	\$8,351,438	13%
Total Liabilities	\$10,568,155	\$9,239,065	14%
<u>Deferred Inflows of Resources</u>			
	\$8,693,029	\$10,563,821	(18%)
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	\$8,579,600	\$8,801,516	(3%)
Restricted	\$2,505,112	\$1,755,176	43%
Unrestricted	\$(3,950,469)	\$(4,557,894)	13%
Total Net Position	\$7,134,243	\$5,998,798	19%

Statement of Net Position: (Table #2)

The District's overall financial status, as reflected in total net position, increased by \$1.1M to \$7.1M or 19% from FY19-20 figures. The District reported total assets of \$19.8M, of which \$9.3M are capital assets. The District reported deferred outflows of \$6.6M at June 30, 2021, relating to the District's WRS net pension plan liability and OPEB plan liabilities. The District reported total liabilities of \$10.6M, of which \$9.5M are long-term liabilities. The District reported deferred inflows of resources in the amount of \$8.7M, relating to the District's WRS net pension.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Table #3

Changes in Net Position from Operating Results For Governmental Activities					
	<u>2020-21</u>	<u>%</u>	<u>2019-20</u>	<u>%</u>	<u>% Change</u>
Revenues:					
Program:					
Charges for Services	\$1,672,782	8%	\$1,609,950	8%	4%
Operating Grants & Cont.	\$2,147,546	10%	\$1,608,813	8%	33%
General:					
General State Aids	\$10,958,937	49%	\$10,424,118	50%	5%
Property Taxes	\$7,131,134	32%	\$6,869,544	33%	4%
Other	\$247,775	1%	\$170,245	1%	46%
Total Revenues	<u>\$22,158,174</u>	<u>100%</u>	<u>\$20,682,670</u>	<u>100%</u>	7%
Expenses:					
Instruction	\$11,702,493	56%	\$12,113,332	57%	(3%)
Support Services	\$6,120,067	29%	\$6,417,183	30%	(5%)
Nonprogram	\$2,279,054	11%	\$1,964,851	9%	16%
Food Service	\$412,107	2%	\$470,208	2%	(12%)
Interest and Fiscal Charges	\$28,183	0%	\$32,092	0%	(12%)
Unallocated Depreciation	\$480,825	2%	\$498,430	2%	(4%)
Total Expenses	<u>\$21,022,729</u>	<u>100%</u>	<u>\$21,496,096</u>	<u>100%</u>	(2%)
Change in Net Position	<u>\$1,135,445</u>		<u>\$(813,426)</u>		240%

FREEDOM AREA SCHOOL DISTRICT

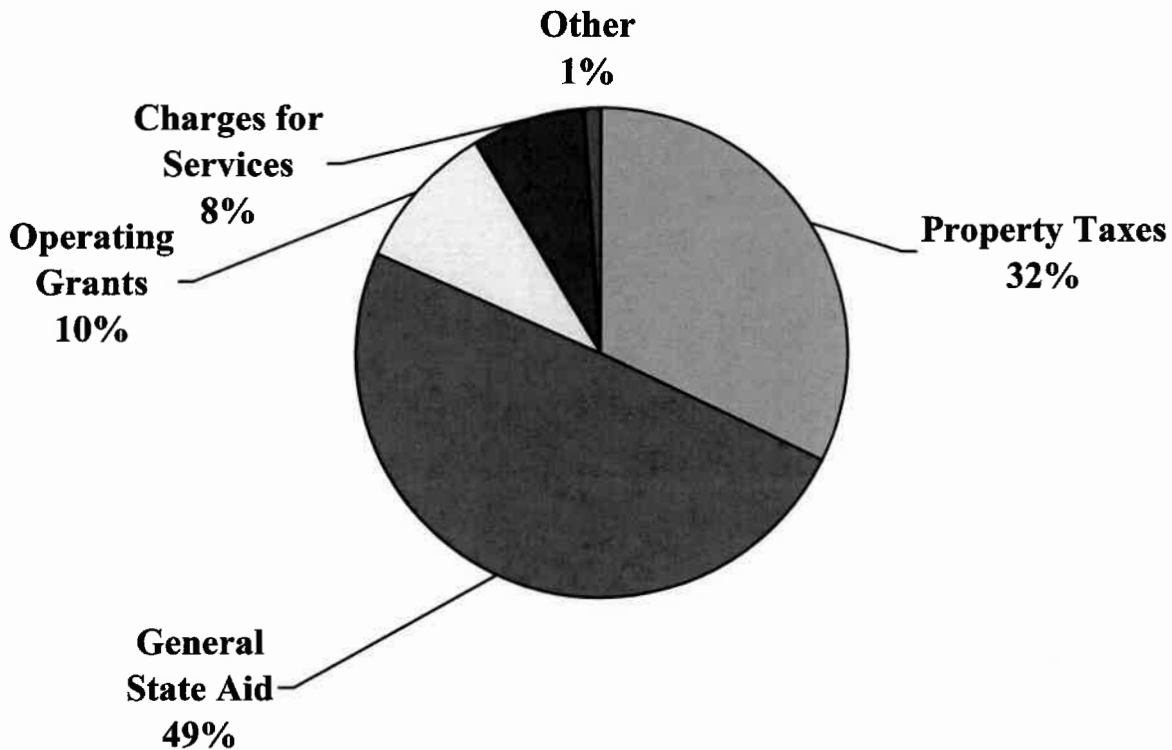
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Revenues: (Table #3)

- For FY20-21, the District received \$22.2M in revenue. This is an increase of 7% or \$1,475,504 over the previous year. General state aids increased over the prior year by \$534,819 to \$11.0M. Property taxes increased by \$261,590 to \$7.1M. For FY20-21, 49% of total revenue came from general state aids, and 32% came from local school property taxes. The District received approximately 18% of all revenue in the form of specific use state aid, federal grants, contributions from individuals, and direct fees for services.
- Individuals, who directly participated or received benefits from a program offering, contributed \$1.7M of the cost, an increase of \$62,832 from the prior year. Book and activity fees, admissions to athletic events, school lunch fees, open enrollment tuition, and building rental fees are included here.
- Individuals and federal and state government subsidized certain programs with grants and contributions of \$2.1M, which is a increase of \$538,733 from the prior year. Special education, transportation, breakfast, and lunch aids are included here.
- The District received \$247,775 in other income, an increase of \$77,530 from the prior year.

REVENUES ALL FUNDS 2020-2021



FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

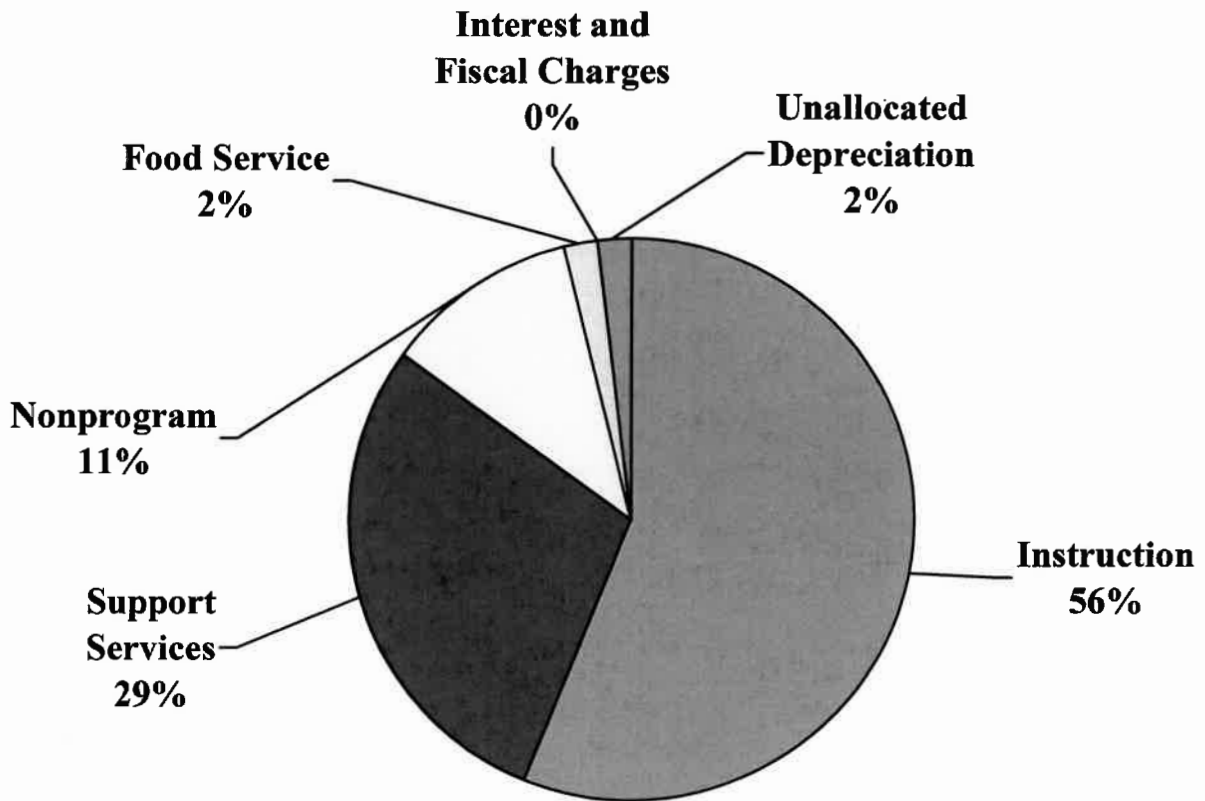
For the Year Ended June 30, 2021

Expenses: (Table #3)

- For FY20-21, the District's total expenditure amount was \$21.0M. This is a decrease of \$0.5M from the prior year. For FY20-21, 56% was directed to instruction and 29% was directed to support services. Nonprogram expenditure amounts were 11% of the total. The food service program represents 2% and costs for debt service represented 0% of total expenditures.

EXPENDITURES ALL FUNDS

2020 - 2021



FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Table #4

Net Cost of Governmental Activities		
	<u>Total Cost of Services</u> <u>2021</u>	<u>Net Cost of Services</u> <u>2021</u>
Instruction	\$11,702,493	\$8,689,985
Support Services	\$6,120,067	\$5,769,629
Nonprogram	\$2,279,054	\$2,279,054
Food Service	\$412,107	\$(45,275)
Interest and Fiscal Charges	\$28,183	\$28,183
Unallocated Depreciation	\$480,825	\$480,825
Totals	<u>\$21,022,729</u>	<u>\$17,202,401</u>

Net Cost of Governmental Activities: (Table #4)

- Total cost of all governmental activities was \$21.0M.
- The net cost of governmental activities, \$17.2M, was financed by general revenues, which are primarily made up of general state aids of \$11.0M and property taxes of \$7.1M. Miscellaneous and investment earnings accounted for \$247,775. In addition, District operations were subsidized by \$3.8M, which was collected through direct fees, operating grants, and contributions.

General Fund Budgetary Comparison:

- Consistent with current state statutes and regulations, an original budget is adopted in October to reflect the actual revenue cap and state aid certification. The statement of revenues, expenditures, and changes in fund balances-budget and actual for the general fund shows a comparison of the budget versus actual.
- Actual results for the year showed an excess of revenues over expenditures of \$44,066. Total revenues were under budgeted by \$15,316. Total expenditures were under budgeted by \$483,507.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Fund Balances:

- The District shows a total for all fund balances of \$5.9M as of June 30, 2021.
- \$3.3M is in the general fund. The District utilizes this fund balance for funding future short-term operations. The fund balance is 16.59% of general fund expenditures. The Board of Education's policy is to have a minimum fund balance of at least 5%. The board policy goal has been met and the District will strive to maintain at least that level of fund balance.
- \$18,257 in the debt service fund is reserved to make future payments on long-term debt.
- Fund balances in the food service fund and long-term capital projects fund will be used to fund continuing operations in those funds.

Capital Asset and Debt Administration:

Capital Assets

- At year-end, the District had \$9.3M in capital assets. Further detail can be found in Note 3 in the financial statements.

Long-term Debt

- At year-end, the District had \$9.6M in long-term obligations. Further detail can be found in Note 4 in the financial statements.

Economic Factors That Will Have an Impact on the Future of the District:

Many things occur in the District that will have significance on the future of the District. These items should be kept in mind while reading the financial statements and looking at the current status of the District.

- One of the main factors that will have economic impact on the future of the District will be how the Wisconsin Legislature continues to fund education. Each year as the state budget is being developed; educational institutions cannot be sure what the impact will be to their budget. As school districts live under revenue limits, the numbers used to generate that limit are critical to the operations of public education.
- Another factor that will have economic impact on the District is the number of students that are enrolled. This number is what is used to generate the revenue limit and amount of money that can be raised to fund the schools. At this time the District does have a slight decline in enrollment and will be closing open enrollment opportunities in some grade levels and programs.

FREEDOM AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

Economic Factors That Will Have an Impact on the Future of the District - Continued:

- The current pandemic has many impacts on the District. There are unknown costs and additional staff that will be needed during this time to allow the District to teach safely. As well as the unknown length of time the situation will continue. Federal funding will be provided to schools to assist with learning loss recovery, these funds will be used as needed during this time.
- Health insurance is an issue that will be continuously reviewed, and changes will be made to keep the District compliant with the Affordable Care Act. This will have financial impact on the District that must be considered.
- One of the items that will be looked at in the future is the District offered retirement plans. They will be evaluated to see if a fair offering can be made to staff while they are working rather than waiting until retirement. This will have a budget impact.
- After taking some time the District will once again visit the needs of the District related to space and modern learning spaces. A third referendum will be tried at some point in the future.

Contacting the District's Financial Management:

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Maggie Gagnon, Director of Business Services, Freedom Area School District, N4021 County Road E, Freedom, WI 54130-7593.

BASIC FINANCIAL STATEMENTS

FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN

STATEMENT OF NET POSITION

June 30, 2021

ASSETS

Current assets:

Cash and investments	\$ 4,399,282
Taxes receivable	1,733,939
Accounts receivable	46,685
Due from other governments	656,434
Inventory	11,179
Total current assets	<u>6,847,519</u>

Noncurrent assets:

Net pension asset - WRS pension	<u>3,701,393</u>
---------------------------------	------------------

Capital assets:

Land, buildings and equipment	20,918,132
Less accumulated depreciation	<u>11,643,532</u>
Net capital assets	<u>9,274,600</u>

Total assets	<u>19,823,512</u>
--------------	-------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to WRS pension	5,856,243
Deferred outflows related to OPEB	<u>715,672</u>

Total deferred outflows of resources	<u>6,571,915</u>
--------------------------------------	------------------

LIABILITIES

Current liabilities:

Current portion of notes payable	165,000
Accounts payable	80
Food service deposits	49,992
Accrued salaries and wages	34,196
Accrued payroll taxes and withholdings	859,180
Accrued interest payable	4,633
Total current liabilities	<u>1,113,081</u>

Long-term liabilities:

Bonds and notes payable	530,000
Other post employment benefits	8,868,907
Unused vested employee benefits	56,167
Total long-term liabilities	<u>9,455,074</u>

Total liabilities	<u>10,568,155</u>
-------------------	-------------------

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to WRS pension	8,113,493
Deferred inflows related to OPEB	579,536

Total deferred inflows of resources	<u>8,693,029</u>
-------------------------------------	------------------

NET POSITION

Invested in capital assets, net of related debt	8,579,600
Restricted	2,505,112
Unrestricted	<u>(3,950,469)</u>
Total net position	<u>\$ 7,134,243</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction:				
Undifferentiated curriculum	\$ 3,907,599	\$ 826,773	\$ 100,768	\$ (2,980,058)
Regular curriculum	4,142,746	826,772	3,670	(3,312,304)
Special education curriculum	2,073,815	--	959,115	(1,114,700)
Other instructional curriculum	1,578,333	--	295,410	(1,282,923)
Total instruction	11,702,493	1,653,545	1,358,963	(8,689,985)
Support services:				
Pupil services	705,992	--	181,776	(524,216)
Instructional staff services	686,602	--	122,128	(564,474)
General administration	270,674	--	33,423	(237,251)
School building administration	912,055	--	--	(912,055)
Business administration	2,744,196	--	7,415	(2,736,781)
Other support services	800,548	--	5,696	(794,852)
Total support services	6,120,067	--	350,438	(5,769,629)
Nonprogram	2,279,054	--	--	(2,279,054)
Food service	412,107	19,237	438,145	45,275
Interest and fiscal charges	28,183	--	--	(28,183)
Unallocated depreciation	480,825	--	--	(480,825)
Total activities	\$ 21,022,729	\$ 1,672,782	\$ 2,147,546	(17,202,401)
General revenues:				
General state aids				10,958,937
Property taxes levied for:				
General purposes				6,951,134
Debt service				180,000
Interest income				63,756
Miscellaneous				184,019
Total general revenues				18,337,846
Change in net position				1,135,445
Net position, beginning of the year, as restated,				5,998,798
Net position, end of year				\$ 7,134,243

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

June 30, 2021

	General Fund	Debt Service Fund	Long-Term Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,523,791	\$ 18,257	\$ 1,283,010	\$ 574,224	\$ 4,399,282
Taxes receivable, net	1,733,939	--	--	--	1,733,939
Accounts receivable	24,659	--	--	22,026	46,685
Due from other funds	--	--	700,000	--	700,000
Due from other governments	636,149	--	--	20,285	656,434
Inventory	--	--	--	11,179	11,179
Total assets	<u>\$ 4,918,538</u>	<u>\$ 18,257</u>	<u>\$ 1,983,010</u>	<u>\$ 627,714</u>	<u>\$ 7,547,519</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 80	\$ --	\$ --	\$ --	\$ 80
Food service deposits	--	--	--	49,992	49,992
Accrued salaries and wages	30,786	--	--	3,410	34,196
Accrued payroll taxes & withholdings	859,180	--	--	--	859,180
Due to other funds	700,000	--	--	--	700,000
Total liabilities	<u>1,590,046</u>	<u>--</u>	<u>--</u>	<u>53,402</u>	<u>1,643,448</u>
Fund balances:					
Nonspendable	--	--	--	11,179	11,179
Spendable:					
Restricted	79,491	18,257	1,983,010	413,175	2,493,933
Assigned	--	--	--	149,958	149,958
Unassigned	3,249,001	--	--	--	3,249,001
Total fund balances	<u>3,328,492</u>	<u>18,257</u>	<u>1,983,010</u>	<u>574,312</u>	<u>5,904,071</u>
Total liabilities and fund balances	<u>\$ 4,918,538</u>	<u>\$ 18,257</u>	<u>\$ 1,983,010</u>	<u>\$ 627,714</u>	<u>\$ 7,547,519</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2021

Total fund balance - governmental funds	\$	5,904,071
-----------------------------------------	----	-----------

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

WRS net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		3,701,393
--------------------------------------------------------------------------------------------------------------------------------	--	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The capital assets consisted of:

Land	1,501,475	
Land improvements, net of \$1,110,503 accumulated depreciation	101,817	
Buildings, net of \$5,818,295 accumulated depreciation	7,045,120	
Machinery and equipment, net of \$4,676,734 accumulated depreciation	626,188	
Total capital assets		9,274,600

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		9,283,942
------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds balance sheet.	(4,633)
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	--------

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest is not accrued in 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 as of June 30, 2021, are:

Bonds and notes payable, including current portion	(695,000)
Other post employment benefits	(8,868,907)
Unused vested employee benefits	(56,167)
Total long-term liabilities		(9,620,074)

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(11,405,056)
-----------------------------------------------------------------------------------------------------------------------------------	---	-------------

Total net position of governmental activities	\$	7,134,243
-----------------------------------------------	----	-----------

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2021

	General Fund	Debt Service Fund	Long-Term Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 7,109,633	\$ 180,398	\$ 21,943	\$ 319,412	\$ 7,631,386
Interdistrict sources	1,532,769	--	--	--	1,532,769
Intermediate sources	36,509	--	--	--	36,509
State sources	11,825,605	--	--	18,736	11,844,341
Federal sources	644,051	--	--	439,128	1,083,179
Other sources	29,235	--	--	755	29,990
Total revenues	<u>21,177,802</u>	<u>180,398</u>	<u>21,943</u>	<u>778,031</u>	<u>22,158,174</u>
Expenditures:					
Instruction:					
Undifferentiated curriculum	3,786,382	--	--	257,062	4,043,444
Regular curriculum	4,297,020	--	--	--	4,297,020
Special education curriculum	2,152,918	--	--	--	2,152,918
Other instructional curriculum	1,705,691	--	--	18,403	1,724,094
Total instruction	<u>11,942,011</u>	<u>--</u>	<u>--</u>	<u>275,465</u>	<u>12,217,476</u>
Support services:					
Pupil services	726,610	--	--	--	726,610
Instructional staff services	707,494	--	--	1,076	708,570
General administration	281,180	--	--	--	281,180
School building administration	949,303	--	--	--	949,303
Business administration	2,714,881	--	61,900	--	2,776,781
Debt service fund	--	189,250	--	--	189,250
Other support services	833,203	--	--	6,421	839,624
Total support services	<u>6,212,671</u>	<u>189,250</u>	<u>61,900</u>	<u>7,497</u>	<u>6,471,318</u>
Nonprogram	2,279,054	--	--	--	2,279,054
Food service fund	--	--	--	421,377	421,377
Total expenditures	<u>20,433,736</u>	<u>189,250</u>	<u>61,900</u>	<u>704,339</u>	<u>21,389,225</u>
Excess of revenues over (under) expenditures	<u>744,066</u>	<u>(8,852)</u>	<u>(39,957)</u>	<u>73,692</u>	<u>768,949</u>
Other financing sources (uses):					
Operating transfers in	--	--	700,000	--	700,000
Operating transfers (out)	(700,000)	--	--	--	(700,000)
Net other financing sources (uses)	<u>(700,000)</u>	<u>--</u>	<u>700,000</u>	<u>--</u>	<u>--</u>
Net change in fund balances	44,066	(8,852)	660,043	73,692	768,949
Fund balances, beginning of year, as restated	<u>3,284,426</u>	<u>27,109</u>	<u>1,322,967</u>	<u>500,620</u>	<u>5,135,122</u>
Fund balances, end of year	<u>\$ 3,328,492</u>	<u>\$ 18,257</u>	<u>\$ 1,983,010</u>	<u>\$ 574,312</u>	<u>\$ 5,904,071</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

Net change in fund balance - total governmental funds	\$ 768,949
The change in net position reported for governmental activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is capitalized and depreciated over their useful lives. This is the amount by which depreciation exceeds capital outlay in the current period.	(381,916)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount pension expense is less than the amounts contributed by the District based on WRS calculations.	1,075,917
Other post employment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned throughout the year. The increase in other post employment benefits liability is greater than the amounts paid.	(514,105)
Governmental funds report actual vested employee benefit payments made. The district-wide statement of activities includes unused vested employee benefits expense on an accrual basis. This is the amount by which payments exceed the accrual basis ts in the current year.	25,533
Accrued interest expense on long-term debt is reported in the district-wide statement of activities and changes in net position but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds.	1,067
Loan proceeds are reported as financing sources in governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. This is the amount by which repayments exceed proceeds.	<u>160,000</u>
Change in net position of governmental activities	<u>\$ 1,135,445</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies:

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

A. Reporting Entity

Freedom Area School District was established on July 3, 1963, as a common school district. The District, governed by a seven member elected board, operates grades Pre-K through 12 and is comprised of all or parts of six taxing districts. The District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement since it has decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and it is primarily accountable for fiscal matters. In addition, there are no component units, as defined in GASB Statement No. 61, that are included in the District's reporting entity.

B. Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, as prescribed by the Wisconsin Department of Public Instruction, for elementary and secondary school districts, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District operates the following major governmental funds:

General fund - the general fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Debt service fund - the debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Long-term capital improvement fund - the long-term capital improvement fund is used to account for financial resources to be used for the acquisition or construction of capital facilities. The District may not expend money deposited into the fund for a period of five years. The fund was established in June 2015 and first funded in July 2015.

The District operates the following nonmajor governmental funds:

Special revenue funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes. The District uses special revenue funds to account for its other special projects, TEACH, food service, and community service funds.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

C. Basis of Presentation

District-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between governmental and business-type activities of the District. The District did not have any business-type activities in place at June 30, 2021.

The district-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation between the district-wide statements and the governmental fund statements.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between the direct expenses and program revenues for each function or program of the governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. Their focus is on major funds rather than reported funds by type. Each major governmental fund is presented in a single column, and all nonmajor funds are aggregated into one column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual basis of accounting.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, tuition, grants, and student fees.

Expenditures

Under the accrual basis of accounting, expenditures are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Accounting

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. The legally adopted budget and budgetary expenditure control is exercised at the object level in the general fund and at the total expenditures level for all other funds. Reported budget amounts are as originally adopted or as amended by the Board of Education (Board) resolution.

F. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts.

All investments are stated at market value. Determination of fair value for investment in the Local Government Investment Pool is based on information provided by the State of Wisconsin Investment Board.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

G. Property Taxes

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 the 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 is 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. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period that the taxes are levied as if they are due in the current year and available to pay current liabilities. 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, 2021, 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.

H. Receivables

Receivables at June 30, 2021, consisted of taxes, accounts, and governmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of federal and state programs.

I. Inventory

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the governmental funds consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed.

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

Vacation benefits are accrued as a liability if the employee's right to receive compensation is attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, employee handbooks, and state laws.

The entire compensated absence liability is reported on the district-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available resources. The balance of the liability is not recorded.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

K. Capital Assets and Depreciation

General capital assets are reported in the district-wide statement of net position but not in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirement during the year. Donated fixed assets are recorded at their market value as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year, unless their exclusion as a group would make the financial statements materially misleading. All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital asset. Depreciation is computed using the straight-line method over the following useful lives:

Land	Not depreciated
Land improvements	20 years
Buildings	50 years
Machinery and equipment	5-15 years
Infrastructure	7 years

L. Interfund Activity

Short-term interfund loans are classified as interfund receivables/payables in the fund financial statements. These amounts are eliminated in the statement of net position.

M. Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt are reported in the district-wide financial statements.

For governmental fund financial statements, accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date, regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

N. Deferred Outflows / Inflows of Resources

The District has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In addition to assets and liabilities, the statement of net position will report separate sections for deferred outflows and deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows relating to the WRS pension plan and its OPEB plan.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows relating to the WRS pension plan and its OPEB plan.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

O. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for the classifications of fund balances 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 of enabling legislation.

Committed fund balance - these amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board - the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the 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. The District did not have any committed fund balances as of June 30, 2021.

Assigned fund balance - this classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board, district administrator, and the business manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts in governmental funds, other than in 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.

The Board has set a general fund minimum fund balance target at least 5% of expenditures and recurring transfers of both the general and special education funds. The special education fund does not meet the definition of a special revenue fund as defined in GASB pronouncements and the activity in this fund is consolidated with the general fund in the fund financial statements.

District-Wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets - amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 1. Summary of Significant Accounting Policies - Continued:

Restricted net position - amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - net position that is neither classified as restricted nor as net investment in capital assets.

P. Pensions

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

Q. Other Post Employment Benefits (OPEB)

For purposes of measuring the net other post employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the OPEB benefit, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported to the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Use of Estimates

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

S. Implementation of GASB Standard

As of July 1, 2020, the District elected to implement GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes new criteria for identifying fiduciary activities that are reported in the fiduciary funds. This Statement also revised the definition and terminology used for activities that were previously classified as agency funds. The District has reclassified agency funds to the special revenue trust fund using the GASB Statement No. 84 definitions. Note 12 outlines this restatement.

Note 2. Cash and Investments:

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. All other funds share in common bank and investment accounts.

The District is required to invest its funds in accordance with Wisconsin Statute 66.0603(1m). The Board has adopted an investment policy pursuant to these statutes that allows the District to invest in the following:

- Time deposits
- Securities guaranteed by the U. S. Government
- Securities of Wisconsin Municipal Units

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 2. Cash and Investments - Continued:

- Securities of Wisconsin Educational and Local Government Investment Pool
- Bonds issued by a local exposition district
- Bonds issued by a local professional baseball park district
- Bonds issued by a local professional stadium district
- Bonds issued by the University of Wisconsin Hospitals and Clinics Authority
- Bonds issued by a local cultural arts district
- Bonds issued by the Wisconsin Aerospace Authority
- Securities which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired and received the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency
- Securities of an open-ended management investment company or investment trust, if the investment company does not charge a sales load, is registered under the Investment Company Act of 1940, and the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed by the federal government, or repurchase securities that are fully collateralized by bonds or securities

The carrying amount of the District's cash and investments totaled \$4,399,282 on June 30, 2021, as summarized below:

Petty cash funds	\$ 275
Deposits with financial institutions	4,398,432
Investments:	
Local Government Investment Pool	575
	\$ 4,399,282
Reconciliation to the basic financial statements:	
Statement of net position	\$ 4,399,282

Deposits and investments of the District are subject to various risks. Presented below is a discussion of specific risks and the District's policy related to each risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian. In addition, the State of Wisconsin has a State Guarantee Fund that provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 2. Cash and Investments - Continued:

As of June 30, 2021, the carrying amount of the District's deposits was \$4,399,282 and the bank balance was \$4,716,967. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$4,466,967 was covered by pledged collateral.

The investment in the Local Government Investment Pool is insured against defaults in principal payments by Financial Security Assurance Incorporated.

The Local Government Investment Pool (LGIP) does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At June 30, 2021, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total of one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the two ratings assigned by nationally recognized statistical rating organizations. The investment in the Local Government Investment Pool is not rated. The following is the distribution of the District's investments:

	Cost	Fair Value
Local Government Investment Pool	\$ 575	\$ 575

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy to address interest rate risk.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 3. Capital Assets:

Capital asset activity for the year ended June 30, 2021, consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$ 1,501,475	\$ --	\$ --	\$ 1,501,475
Land improvements	1,212,320	--	--	1,212,320
Buildings	12,863,415	--	--	12,863,415
Furniture and equipment	5,204,013	98,909	--	5,302,922
Building infrastructure	38,000	--	--	38,000
Totals	<u>20,819,223</u>	<u>98,909</u>	<u>--</u>	<u>20,918,132</u>
Accumulated depreciation:				
Land improvements	1,074,897	35,606	--	1,110,503
Buildings	5,589,149	229,146	--	5,818,295
Furniture and equipment	4,460,661	216,073	--	4,676,734
Building infrastructure	38,000	--	--	38,000
Totals	<u>11,162,707</u>	<u>480,825</u>	<u>--</u>	<u>11,643,532</u>
Net totals	<u>\$ 9,656,516</u>	<u>\$ (381,916)</u>	<u>\$ --</u>	<u>\$ 9,274,600</u>

All depreciation expense was charged to unallocated depreciation.

Note 4. Long-term Obligations:

Long-term obligations of the District at June 30, 2021, consisted of the following:

<i>Type</i>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General obligation debt	\$ 855,000	\$ --	\$ 160,000	\$ 695,000	\$ 165,000
Other post employment benefits	7,574,738	1,294,169	--	8,868,907	--
Vested employee benefits	81,700	--	25,533	56,167	--
Totals	<u>\$ 8,511,438</u>	<u>\$ 1,294,169</u>	<u>\$ 185,533</u>	<u>\$ 9,620,074</u>	<u>\$ 165,000</u>

Total interest paid for the year ended June 30, 2021, was \$29,250 for general obligation debt.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 4. Long-term Obligations Continued:

All general long-term obligations are secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2021, is comprised of the following:

<i>Description</i>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
General obligation notes	07/02/18	2.0 - 4.0%	04/01/25	<u>\$ 695,000</u>

The 2021 equalized valuation of the District as certified by Wisconsin Department of Revenue is \$1,147,966,915. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes, consisted of the following:

Debt limit	\$ 114,796,692
(10% of \$1,147,966,915)	
Deduct long-term debt applicable to debt margin	<u>695,000</u>
Margin of indebtedness	<u>\$ 114,101,692</u>

Aggregate cash flow requirements for the retirement of general obligation debt principal and interest on June 30, 2021, are as follows:

<i>Year ending June 30,</i>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 165,000	\$ 24,450	\$ 189,450
2023	170,000	19,500	189,500
2024	175,000	14,400	189,400
2025	185,000	7,400	192,400
Totals	<u>\$ 695,000</u>	<u>\$ 65,750</u>	<u>\$ 760,750</u>

Note 5. Inter-fund Transactions:

Inter-fund balances on the fund financial statements at June 30, 2021, consisted of the following:

<i>Fund</i>	<u>Due From</u>	<u>Due To</u>
General fund	\$ - -	\$ 700,000
Long-term capital improvement fund	700,000	- -
Totals	<u>\$ 700,000</u>	<u>\$ 700,000</u>

The inter-fund balance between the general fund and the long-term capital improvement fund exists to provide additional funding for future capital improvement projects.

Inter-fund transfers on the fund financial statements at June 30, 2021, consisted of the following:

Transfer from the general fund to the long-term capital improvement fund	<u>\$ 700,000</u>
--------------------------------------------------------------------------	-------------------

The inter-fund transfer between the general fund and the long-term capital improvement fund was made to provide additional funding for future capital improvement projects.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 6. Excess of Actual Expenditures Over Budget:

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

General fund:

Undifferentiated Curriculum	\$	13,295
General administration		4,728

Note 7. Fund Balance Reporting:

The following table discloses details of the amounts reported in the various fund balance categories as of June 30, 2021:

<u>Description</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Long-Term Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:					
Nonspendable:					
Inventory - food service fund	\$ --	\$ --	\$ --	\$ 11,179	\$ 11,179
Restricted:					
Donations - special revenue trust fund	--	--	--	327,869	327,869
TEACH fund - future technology expenditures	--	--	--	47,643	47,643
Debt service fund	--	18,257	--	--	18,257
Long-term capital improvement fund	--	--	1,983,010	--	1,983,010
Food service fund	--	--	--	37,663	37,663
Unspent common school funds	79,491	--	--	--	79,491
Assigned:					
Community service fund activities	--	--	--	149,958	149,958
Unassigned	3,249,001	--	--	--	3,249,001
Total fund balances	<u>\$ 3,328,492</u>	<u>\$ 18,257</u>	<u>\$ 1,983,010</u>	<u>\$ 574,312</u>	<u>\$ 5,904,071</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan:

Plan Description

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), 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 and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) 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 credible 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.

Post-Retirement Adjustments

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) 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. Credible service also includes credible 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.

Post-Retirement Adjustments

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

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, executives and elected officials. Starting on January 1, 2016, the executives & 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 \$412,165 in contributions from the employer.

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

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

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

At June 30, 2021, the District reported a liability (asset) of \$(3,701,393) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.05928738%, which was a decrease of 0.00073355% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense (revenue) of \$(400,668).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,357,050	\$ 1,153,899
Net differences between projected and actual earnings on pension plan investments	--	6,949,064
Changes in assumptions	83,954	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,074	10,530
Employer contributions subsequent to the measurement date	412,165	--
Totals	\$ 5,856,243	\$ 8,113,493

\$412,165 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending <i>June 30,</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 3,436,302	\$ 4,123,652
2022	2,908,584	3,096,749
2023	1,278,633	2,538,456
2024	532,586	1,066,662

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry age Normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020, is based upon a roll-forward of the liability calculated from the December 31, 2019, actuarial valuation.

Long-term Expected Return on Plan Assets

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

Retirement Funds

**Asset Allocation Targets and
Expected Returns**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Rate of Return %</u>	
		<u>Long-Term Expected Nominal</u>	<u>Long-Term Expected Real</u>
Global equities	51	7.2	4.7
Fixed income	25	3.2	0.8
Inflation sensitive assets	16	2.0	(0.4)
Real estate	8	5.6	3.1
Private equity/debt	11	10.2	7.6
Multi-asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. equities	70	6.6	4.1
International equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

Single Discount Rate

A single discount rate of 7.0% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.0% 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 7.0% 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.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8. General Information About the WRS Pension Plan - Continued:

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
District's proportionate share of the net pension liability (asset)	\$ 3,523,213	\$(3,701,393)	\$(9,007,813)

Pension Plan Fiduciary Net Position

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

Note 9. General Information About the OPEB Plan:

Plan Description and Benefits Provided

The District's post-employment medical and dental plan is a single-employer, defined benefit healthcare plan administered by the District. The plan provides medical insurance benefits to eligible retirees, spouses and their dependents. The authority to establish and amend benefit provisions is with the Board of Education. The plan is not funded with a trust and there is no financial report issued by the plan.

Administrators and Teachers: to be eligible for benefits, teachers must be at least 55 years of age with a minimum of 15 years of service or at least age 57 with a minimum of 20 years of service if hired after July 1, 2000.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefits	--
Active plan members	156
Total	167

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 9. General Information About the OPEB Plan - Continued:

Contributions

The required contribution is based on projected pay-as-you-go financing requirements. No amounts are accumulated in a trust to pay OPEB benefits.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. Other than the change in discount rate to 2.25% from 3.5%, no material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 %
Salary increases	3.0 %
Investment rate of return	5.5 %, net of OPEB plan investment expenses
Healthcare cost trend rates	Medical: Initial rate of 7.5%, decreasing by .5% per year down to 6.5%, then by .10% per year down to 5.0%, and level thereafter.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25% as opposed to a discount rate of 3.50% for the prior year, which is reflective of a 20-year AA municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**Note 9. General Information About the OPEB Plan - Continued:
Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at 6/30/2019	\$ 7,574,738
Changes for the year:	
Service cost	489,921
Interest	269,275
Differences between expected and actual experience	--
Changes in assumptions or other input	787,239
Benefit payments	(252,266)
Net changes	1,294,169
Balance at 6/30/2020	\$ 8,868,907

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

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

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	\$ 9,527,830	\$ 8,868,907	\$ 8,235,504

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1%-point lower or 1%-point higher than the current healthcare cost trend rates:

	1% Decrease (6.5% Decrease to 4.0%)	Healthcare Cost Trend Rates (7.5% Decrease to 5.0%)	1% Increase (8.5% Decrease to 6.0%)
Total OPEB liability	\$ 7,755,371	\$ 8,868,907	\$ 10,188,450

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 9. General Information About the OPEB Plan - Continued:

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$766,371. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 450,949
Changes and assumptions	715,672	--
Net difference between projected and actual earnings on OPEB plan investments	--	128,587
District contributions subsequent to the measurement date	--	--
Totals	\$ 715,672	\$ 579,536

\$0 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

Note 10. Limitation on School District Revenues:

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

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

Note 11. Contingent Liabilities:

Risk management - the District is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance coverage for most of these risks. There were no reductions in purchased coverage for the year ended June 30, 2021. No settlements exceeded insured amounts in the last three fiscal years.

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 11. Contingent Liabilities - Continued:

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

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

Note 12. Prior Period Adjustment:

The government-wide net position and fund balances were restated as a result of the implementation of GASB Statement No. 84.

	General Fund	Agency Funds	Special Revenue Trust Fund
Net position/fund balance as previously reported at June 30, 2020	\$ 3,276,780	\$ 306,097	\$ 19,160
To reclassify funds as a result of the implementation of GASB Statement No. 84:			
Agency funds	7,646	(306,097)	298,451
Net position/fund balance as restated July 1, 2020	\$ 3,284,426	\$ --	\$ 317,611

The effect of the District making a prior period adjustment due to the implementation of GASB Statement No. 84 resulted in the restatement of the District's net position as of July 1, 2020, as follows:

Total net position as previously reported in the statement of activities	\$ 5,692,701
Agency funds reclassified	306,097
Total net position as restated July 1, 2020	\$ 5,998,798

Note 13. Subsequent Events:

The District has evaluated all subsequent events through December 22, 2021, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Other Post Employment Benefits Plan

Last 10 Fiscal Years*

	2021	2020
Total OPEB liability:		
Service cost	\$ 489,921	\$ 484,379
Interest	269,275	289,887
Differences between expected and actual experience	--	(551,159)
Changes of assumptions or other input	787,239	(15,973)
Benefit payments	(252,266)	(241,032)
Net change in total OPEB liability	1,294,169	(33,898)
Total OPEB liability - beginning	7,574,738	7,608,636
Total OPEB liability - ending	\$ 8,868,907	\$ 7,574,738
The District's covered employee payroll	7,910,604	\$ 7,910,604
Total OPEB liability as a percentage of covered employee payroll	112.11%	95.75%

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

2018 was the first year that this information has been made available due to implementation of GASB 75.

<u>2019</u>	<u>2018</u>
\$ 506,088	\$ 506,088
260,105	247,893
--	--
(154,023)	--
<u>(364,100)</u>	<u>(446,077)</u>
248,070	307,904
<u>7,360,566</u>	<u>7,052,662</u>
<u>\$ 7,608,636</u>	<u>\$ 7,360,566</u>
\$ 7,325,010	\$ 7,325,010
103.87%	100.49%

SEE NOTES TO REQUIRED OPEB PLAN SCHEDULE.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO REQUIRED OPEB PLAN SCHEDULE
For the Year Ended June 30, 2021

Note 1. Change of Benefit Terms:

There were no changes of benefit terms for this benefit.

Note 2. Change of Assumptions:

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)**

Wisconsin Retirement System
Last 10 Fiscal Years*

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
06/30/15	0.06304815%	\$ (1,548,209)	\$ 8,652,205	102.74%
06/30/16	0.06226076%	1,011,725	8,660,228	98.20%
06/30/17	0.06185384%	509,823	9,078,050	99.12%
06/30/18	0.06157870%	(1,828,344)	9,061,810	102.93%
06/30/19	0.06084384%	2,164,633	9,049,023	96.45%
06/30/20	0.06002093%	(1,935,348)	9,638,055	102.96%
06/30/21	0.05928738%	(3,701,393)	9,822,654	105.26%

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

2015 was the first year that this information was made available due to implementation of GASB 68.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Wisconsin Retirement System

Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
06/30/15	\$ 605,654	\$ 605,654	\$ --	\$ 8,652,205	7.00%
06/30/16	588,895	588,895	--	8,660,228	6.80%
06/30/17	599,151	599,151	--	9,078,050	6.60%
06/30/18	616,203	616,203	--	9,061,810	6.80%
06/30/19	606,284	606,284	--	9,049,023	6.70%
06/30/20	631,292	631,292	--	9,638,055	6.55%
06/30/21	663,029	663,029	--	9,822,654	6.75%

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

2015 was the first year that this information was made available due to implementation of GASB 68.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

NOTES TO REQUIRED WRS SCHEDULES
For the Year Ended June 30, 2021

Note 1. Changes of Benefit Terms:

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

Note 2. Changes of Assumptions:

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

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Local sources	\$ 7,147,378	\$ 7,147,378	\$ 7,109,633	\$ (37,745)
Interdistrict sources	1,559,448	1,559,448	1,532,769	(26,679)
Intermediate sources	19,000	19,000	28,330	9,330
State sources	11,152,130	11,152,130	11,165,588	13,458
Federal sources	214,123	214,123	238,708	24,585
Other sources	27,500	27,500	29,235	1,735
Total revenues	<u>20,119,579</u>	<u>20,119,579</u>	<u>20,104,263</u>	<u>(15,316)</u>
Expenditures:				
Instruction:				
Undifferentiated curriculum	3,773,087	3,773,087	3,786,382	(13,295)
Regular curriculum	4,350,328	4,350,328	4,297,020	53,308
Other instructional curriculum	1,841,286	1,841,286	1,705,691	135,595
Total instruction	<u>9,964,701</u>	<u>9,964,701</u>	<u>9,789,093</u>	<u>175,608</u>
Support services:				
Pupil services	539,786	539,786	481,319	58,467
Instructional staff services	547,071	547,071	480,579	66,492
General administration	276,452	276,452	281,180	(4,728)
School building administration	998,004	998,004	949,303	48,701
Business administration	2,722,917	2,722,917	2,609,711	113,206
Other support services	789,042	789,042	772,493	16,549
Total support services	<u>5,873,272</u>	<u>5,873,272</u>	<u>5,574,585</u>	<u>298,687</u>
Nonprogram	2,178,523	2,178,523	2,169,311	9,212
Total expenditures	<u>18,016,496</u>	<u>18,016,496</u>	<u>17,532,989</u>	<u>483,507</u>
Excess of revenues over expenditures	2,103,083	2,103,083	2,571,274	468,191
Other financing sources (uses):				
Operating transfers (out)	(2,103,083)	(2,103,083)	(2,527,208)	(424,125)
Net change in fund balance	--	--	44,066	44,066
Fund balance, beginning of year, as restated	<u>3,284,426</u>	<u>3,284,426</u>	<u>3,284,426</u>	--
Fund balance, end of year	<u>\$ 3,284,426</u>	<u>\$ 3,284,426</u>	<u>\$ 3,328,492</u>	<u>\$ 44,066</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL -
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues:				
Intermediate sources	\$ 9,000	\$ 9,000	\$ 8,179	\$ (821)
State sources	555,000	555,000	660,017	105,017
Federal sources	494,285	494,285	405,343	(88,942)
Total revenues	<u>1,058,285</u>	<u>1,058,285</u>	<u>1,073,539</u>	<u>15,254</u>
Expenditures:				
Instruction:				
Special education curriculum	2,325,330	2,325,330	2,152,918	172,412
Support services:				
Pupil services	251,791	251,791	245,291	6,500
Instructional staff services	246,802	246,802	226,915	19,887
Business administration	106,866	106,866	105,170	1,696
Other support services	67,579	67,579	60,710	6,869
Total support services	<u>673,038</u>	<u>673,038</u>	<u>638,086</u>	<u>34,952</u>
Nonprogram	163,000	163,000	109,743	53,257
Total expenditures	<u>3,161,368</u>	<u>3,161,368</u>	<u>2,900,747</u>	<u>260,621</u>
Excess of revenues under expenditures	(2,103,083)	(2,103,083)	(1,827,208)	275,875
Other financing sources (uses):				
Operating transfers in	2,103,083	2,103,083	1,827,208	(275,875)
Net change in fund balance	--	--	--	--
Fund balance, beginning of year	--	--	--	--
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

OTHER SUPPLEMENTARY INFORMATION

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2021

	Other Special Projects	TEACH Fund	Food Service Fund	Community Service Fund	Totals
ASSETS					
Cash and investments	\$ 327,869	\$ 47,643	\$ 46,954	\$ 151,758	\$ 574,224
Accounts receivable	--	--	22,026	--	22,026
Due from other governments	--	--	20,285	--	20,285
Inventories	--	--	11,179	--	11,179
Total assets	<u>\$ 327,869</u>	<u>\$ 47,643</u>	<u>\$ 100,444</u>	<u>\$ 151,758</u>	<u>\$ 627,714</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Food service deposits	\$ --	\$ --	\$ 49,992	\$ --	\$ 49,992
Accrued salaries & wages	--	--	1,610	1,800	3,410
Total liabilities	<u>--</u>	<u>--</u>	<u>51,602</u>	<u>1,800</u>	<u>53,402</u>
Fund balances:					
Nonspendable	--	--	11,179	--	11,179
Spendable:					
Restricted	327,869	47,643	37,663	--	413,175
Assigned	--	--	--	149,958	149,958
Total fund balances	<u>327,869</u>	<u>47,643</u>	<u>48,842</u>	<u>149,958</u>	<u>574,312</u>
Total liabilities and fund balances	<u>\$ 327,869</u>	<u>\$ 47,643</u>	<u>\$ 100,444</u>	<u>\$ 151,758</u>	<u>\$ 627,714</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2021

	Other Special Projects	TEACH Fund	Food Service Fund	Community Service Fund	Totals
Revenues:					
Local sources	\$ 267,080	\$ 828	\$ 19,557	\$ 31,947	\$ 319,412
State sources	--	--	18,736	--	18,736
Federal sources	19,719	--	419,409	--	439,128
Other sources	--	--	755	--	755
Total revenues	<u>286,799</u>	<u>828</u>	<u>458,457</u>	<u>31,947</u>	<u>778,031</u>
Expenditures:					
Instruction:					
Undifferentiated curriculum	257,062	--	--	--	257,062
Other instructional curriculum	18,403	--	--	--	18,403
Total instruction	<u>275,465</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>275,465</u>
Support services:					
Instructional staff services	1,076	--	--	--	1,076
Other support services	--	--	--	6,421	6,421
Total support services	<u>1,076</u>	<u>--</u>	<u>--</u>	<u>6,421</u>	<u>7,497</u>
Food service fund	--	--	421,377	--	421,377
Total expenditures	<u>276,541</u>	<u>--</u>	<u>421,377</u>	<u>6,421</u>	<u>704,339</u>
Net change in fund balances	10,258	828	37,080	25,526	73,692
Fund balances, beginning of year, as restated	<u>317,611</u>	<u>46,815</u>	<u>11,762</u>	<u>124,432</u>	<u>500,620</u>
Fund balances, end of year	<u>\$ 327,869</u>	<u>\$ 47,643</u>	<u>\$ 48,842</u>	<u>\$ 149,958</u>	<u>\$ 574,312</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**COMBINING BALANCE SHEET -
GENERAL FUND
June 30, 2021**

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Eliminations</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 2,523,791	\$ --	\$ --	\$ 2,523,791
Taxes receivable, net	1,733,939	--	--	1,733,939
Accounts receivable	24,659	--	--	24,659
Due from other funds	343,368	--	(343,368)	--
Due from other governments	292,781	343,368	--	636,149
Total assets	<u><u>\$ 4,918,538</u></u>	<u><u>\$ 343,368</u></u>	<u><u>\$ (343,368)</u></u>	<u><u>\$ 4,918,538</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 80	\$ --	\$ --	\$ 80
Accrued salaries and wages	30,786	--	--	30,786
Accrued payroll taxes & withholdings	859,180	--	--	859,180
Due to other funds	700,000	343,368	(343,368)	700,000
Total liabilities	<u><u>1,590,046</u></u>	<u><u>343,368</u></u>	<u><u>(343,368)</u></u>	<u><u>1,590,046</u></u>
Fund balances:				
Restricted	79,491	--	--	79,491
Unassigned	3,249,001	--	--	3,249,001
Total fund balances	<u><u>3,328,492</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>3,328,492</u></u>
Total liabilities and fund balances	<u><u>\$ 4,918,538</u></u>	<u><u>\$ 343,368</u></u>	<u><u>\$ (343,368)</u></u>	<u><u>\$ 4,918,538</u></u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GENERAL FUND**

For the Year Ended June 30, 2021

	General Fund	Special Education Fund	Eliminations	Totals
Revenues:				
Local sources	\$ 7,109,633	\$ --	\$ --	\$ 7,109,633
Interdistrict sources	1,532,769	--	--	1,532,769
Intermediate sources	28,330	8,179	--	36,509
State sources	11,165,588	660,017	--	11,825,605
Federal sources	238,708	405,343	--	644,051
Other sources	29,235	--	--	29,235
Total revenues	<u>20,104,263</u>	<u>1,073,539</u>	<u>--</u>	<u>21,177,802</u>
Expenditures:				
Instruction:				
Undifferentiated curriculum	3,786,382	--	--	3,786,382
Regular curriculum	4,297,020	--	--	4,297,020
Special education curriculum	--	2,152,918	--	2,152,918
Other instructional curriculum	1,705,691	--	--	1,705,691
Total instruction	<u>9,789,093</u>	<u>2,152,918</u>	<u>--</u>	<u>11,942,011</u>
Support services:				
Pupil services	481,319	245,291	--	726,610
Instructional staff services	480,579	226,915	--	707,494
General administration	281,180	--	--	281,180
School building administration	949,303	--	--	949,303
Business administration	2,609,711	105,170	--	2,714,881
Other support services	772,493	60,710	--	833,203
Total support services	<u>5,574,585</u>	<u>638,086</u>	<u>--</u>	<u>6,212,671</u>
Nonprogram	<u>2,169,311</u>	<u>109,743</u>	<u>--</u>	<u>2,279,054</u>
Total expenditures	<u>17,532,989</u>	<u>2,900,747</u>	<u>--</u>	<u>20,433,736</u>
Excess of revenues over (under) expenditures	<u>2,571,274</u>	<u>(1,827,208)</u>	<u>--</u>	<u>744,066</u>
Other financing sources (uses):				
Operating transfers in	--	1,827,208	(1,827,208)	--
Operating transfers (out)	<u>(2,527,208)</u>	<u>--</u>	<u>1,827,208</u>	<u>(700,000)</u>
Net other financing sources (uses)	<u>(2,527,208)</u>	<u>1,827,208</u>	<u>--</u>	<u>(700,000)</u>
Net change in fund balances	44,066	--	--	44,066
Fund balances, beginning of year, as restated	<u>3,284,426</u>	<u>--</u>	<u>--</u>	<u>3,284,426</u>
Fund balances, end of year	<u>\$ 3,328,492</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,328,492</u>

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

Awarding Agency/ Pass-Through Agency/ Award Description	Federal Catalog Number	Pass-Through Identification Number	Accrued Receivable 6/30/2020
U.S. DEPARTMENT OF AGRICULTURE			
WI Department of Public Instruction:			
<i>Child Nutrition Cluster:</i>			
National School Breakfast	10.553	2021-441953-DPI-SB-546	\$ 5,797
National School Lunch-noncash	10.555	2021-441953-DPI-NSL-001	--
National School Lunch-cash	10.555	2021-441953-DPI-NSL-547	10,965
Child Nutrition Cluster totals			<u>16,762</u>
U.S. DEPARTMENT OF EDUCATION			
Formula Grants to LEAs	84.060A	N/A	<u>19,125</u>
WI Department of Public Instruction:			
<i>Special Education Cluster:</i>			
IDEA Flow Through	84.027	2021-441953-DPI-IDEA-FT-341	311,431
IDEA Title I-A Schoolwide	84.027	2021-441953-DPI-IDEA-FT-341	38,275
Preschool Entitlement	84.173	2021-441953-DPI-IDEA-PS-347	11,617
Special Education Cluster totals			<u>361,323</u>
Title I-A	84.010	2021-441953-DPI-TIA-141	50,663
Title II-A Improving Teacher Quality	84.367	2021-441953-DPI-TIIA-365	28,978
Title IV-A - Student Support and Academic Enrichment	84.424A	2021-441953-DPI-TIVA-381	12,602
Title VIII- Impact Aid Elementary and Secondary	84.424A	2021-441953-DPI-TVIII	--
School Emergency Relief Fund	84.425D	2021-201862-DPI-TIV-A-381	--
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
WI Department of Health Services:			
Medical Assistance Program	93.778	N/A	<u>--</u>
Total federal awards			<u>\$ 489,453</u>

<u>Expenditures</u>	<u>Grantor Reimbursement</u>	<u>Accrued Receivable 6/30/2021</u>
\$ 25,513	\$ 26,191	\$ 5,119
43,655	43,655	--
350,241	346,042	15,164
<u>419,409</u>	<u>415,888</u>	<u>20,283</u>
<u>19,719</u>	<u>19,719</u>	<u>19,125</u>
317,332	311,431	317,332
31,668	38,275	31,668
15,284	11,617	15,284
<u>364,284</u>	<u>361,323</u>	<u>364,284</u>
52,233	50,663	52,233
20,334	24,411	24,901
9,604	12,602	9,604
40,593	40,593	--
44,676	27,794	16,882
<u>112,327</u>	<u>101,576</u>	<u>10,751</u>
<u>\$ 1,083,179</u>	<u>\$ 1,054,569</u>	<u>\$ 518,063</u>

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2021

Awarding Agency/ Pass-Through Agency/ Award Description	State ID Number	Pass-Through Identification Number	Accrued Receivable 6/30/2020
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			
Special Education and School Age Parents	255.101	441953-100	\$ --
State School Lunch Aid	255.102	441953-107	--
Common School Fund Library Aid	255.103	441953-104	--
General Transportation Aid	255.107	441953-102	--
WI School Day Milk Program	255.115	441953-109	--
General Equalization Aids	255.201	441953-116	151,030
Supplemental Per Pupil Aid	255.245	703892-181	--
Alcohol and Other Drug Abuse	255.306	441953-143	699
State School Breakfast Program	255.344	441953-108	--
Early College Credit Program	255.445	441953-178	--
Per Pupil Aid	255.945	441953-113	--
Educator Effectiveness Grant	255.940	441953-154	--
Career & Technical Educ Incentive Grants	255.950	441953-152	--
Assessment of Reading Readiness	255.956	441953-166	--
Robotics League Participation Grants	255.959	441953-167	4,359
Special Education Transition Incentive Grants	255.960	441953-168	--
CESA#6:			
Special Education and School Age Parents	255.101	N/A	--
Total Wisconsin Department of Public Instruction			<u>156,088</u>
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			
CESA#6:			
Local Youth Apprenticeship	445.112	N/A	--
WISCONSIN DEPARTMENT OF JUSTICE			
School SSIT / Mental Health Training	455.206	N/A	--
Total state awards			<u>\$ 156,088</u>

<u>Expenditures</u>	<u>Grantor Reimbursement</u>	<u>Accrued Receivable 6/30/2021</u>
\$ 655,017	\$ 655,017	\$ --
6,221	6,221	--
77,113	77,113	--
51,335	51,335	--
11,670	11,670	--
9,779,157	9,775,671	154,516
4,832	4,832	--
1,000	1,699	--
844	844	--
371	371	--
1,179,780	1,179,780	--
9,680	9,680	--
19,143	19,143	--
3,154	3,154	--
--	4,359	--
5,000	5,000	--
8,513	8,513	--
<u>11,812,830</u>	<u>11,814,402</u>	<u>154,516</u>
20,141	20,141	--
1,800	--	1,800
<u>\$ 11,834,771</u>	<u>\$ 11,834,543</u>	<u>\$ 156,316</u>

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AND STATE AWARDS**

For the Year Ended June 30, 2021

Note 1. Basis of Presentation:

The accompanying schedules of expenditures of federal and state awards (schedules) include the federal and state grant activity of Freedom Area School District under programs of the federal and state governments 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 the *State Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of Freedom Area School District, they are not intended to and do not present the financial position, changes in the net assets or cash flow of Freedom Area School District.

Note 2. Summary of Significant Accounting Policies:

Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following 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. Freedom Area School District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

Note 3. Special Education and School Age Parents Program:

The 2020-2021 eligible costs under the state special education program as reported by the District are \$2,446,160. The 2021-2022 estimated aid reimbursement for this program is \$606,648.

Note 4. Noncash Awards:

The federal donated commodities in the Child Nutrition Cluster is administered by the U.S. Department of Agriculture and passed through the Wisconsin Department of Instruction and transactions relating to this program are included in the District's basic financial statements. Commodities received during the year that are included in the federal expenditures are valued by the federal agency. There are no balances outstanding as of June 30, 2021.



Erickson & Associates, S.C.

Certified Public Accountants

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149
www.erickson-cpas.com

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
Freedom Area School District
Freedom, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Freedom Area School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Erickson & Associates, S.C.

ERICKSON & ASSOCIATES, S.C.
Appleton, Wisconsin
December 22, 2021



Erickson & Associates, S.C.

Certified Public Accountants

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149
www.erickson-cpas.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

Board of Education
Freedom Area School District
Freedom, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the compliance of Freedom Area School District (District), with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Single Audit Guidelines*. Those standards, the Uniform Guidance, and the Guidelines 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 of the District's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Erickson & Associates, S.C.

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

December 22, 2021

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report on financial statements:	Unmodified opinion
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness?	No
Type of auditor's report on compliance for major programs:	Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:		<i>Child Nutrition Cluster</i>
10.553		National School Breakfast
10.555		National School Lunch
84.425D		Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

State Awards

Internal control over major state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Type of auditor's report on compliance for major state programs:	Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> ?	Yes

Identification of major state programs:		Special Education and School Age Parents
255.101		General Equalization Aids
255.201		

Dollar threshold used to distinguish between Type A and Type B Programs:	\$250,000
-----------------------------------------------------------------------------	-----------

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021**

Financial Statement Findings:

2021-001 Lack of Adequate Segregation of Duties in the System of Controls

Condition: The size of the District's office staff precludes an adequate segregation of accounting and reporting functions necessary to ensure an adequate internal control system. The District primarily operates its accounting and reporting functions with three individuals.

Criteria: Management is responsible for establishing and maintaining effective internal controls over financial reporting, the selection and application for accounting principles, and the safeguarding of assets. Proper segregation of duties provides a system of checks and balances on the accounting system and reduces the risk of errors and irregularities, both intentional and unintentional.

Cause: There are a limited number of office employees.

Effect: Proper segregation of duties in the system of controls is not accomplished.

Identification of a Repeat Finding: This is a repeat finding from previous audits, see 2020-001.

Recommendation: Management and the elected body should continue the monitoring and supervision of the accounting and reporting functions. Monthly reporting of actual results, both revenues and expenditures, to budget is recommended.

Views of Responsible Officials: See District's corrective action plan.

2021-002 Financial Statement Preparation

Condition: The District has historically relied upon its auditors to assist in the preparation of the district-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the District's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the District's internal controls.

Criteria: We are required to report on whether the District is able to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data, and (2) reporting district-wide and fund financial statements, including the related footnotes.

Cause: The additional costs with hiring staff experienced in preparing financial statements, along with additional training time, outweigh the derived benefits.

Effect: Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

Identification of a Repeat Finding: This is a repeat finding from previous audits, see 2020-002.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the Year Ended June 30, 2021

2021-002 Financial Statement Preparation - Continued

Views of
Responsible
Officials: See District's corrective action plan.

Recommendation: The District should continue to evaluate the cost/benefit of outsourcing the task of preparing the financial statements to the external auditors.

2021-003 Special Education Teachers with No Valid License

Condition: Per Wisconsin Department of Public Instruction, the District had one educator without a valid license as of the end of the District's fiscal year. The educator salary and benefits of \$13,099.68 are considered a questioned cost. As a result, the District could lose categorical aid on these expenditures.

Criteria: Educators listed on the Special Education No-Valid License report are required to be reported to the Department and their related salaries and benefits are to be disclosed as questioned costs by the auditor.

Cause: The District reported an educator without a valid license.

Effect: The District had a licensure mismatch and an employee was reported on the Special Education No-Valid License report.

Identification of a
Repeat Finding: This is not a repeat finding.

Recommendation: The District should review its licensure oversight procedures and implement a policy to review its employee licensure information on a periodic basis.

Views of
Responsible
Officials: See District's corrective action plan.

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the Year Ended June 30, 2021


Other Issues:

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

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies agencies that require audits to be in accordance with the State Single Audit Guidelines?
Department of Public Instruction Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Signature of shareholder
Date of report


December 22, 2021

**FREEDOM AREA SCHOOL DISTRICT
FREEDOM, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

Status of Prior Year Findings

The findings noted in the 2020 schedule of findings and questioned costs have been reported to the proper federal and state agencies.

2020-001 Lack of Adequate Segregation of Duties in the System of Controls

Management continues to believe that due to budget constraints, it is not practicable for the District to hire additional staff to correct this finding.

2020-002 Financial Statement Preparation

Management continues to believe that due to budget constraints, it is not practicable for the District to hire additional staff to correct this finding.



FREEDOM AREA SCHOOL DISTRICT

"Excellence Is Not Only Our Goal, It Is Our Tradition"

N4021 County Road E • Freedom WI 54130-7593

Phone: 920-788-7944 • Fax: 920-788-7949 • www.freedomschools.k12.wi.us

Dr. Jill Mussett - District Administrator

Mrs. Maggie Gagnon - Director of Business Services

Mr. Tim Mulrain - Director of Pupil Services

CORRECTIVE ACTION PLAN

2021-001 Lack of Adequate Segregation of Duties in the System of Controls

Corrective Action Plan: The District continually evaluates the job duties of those involved with internal controls to find a fit that better segregates many of the duties. The District has also evaluated the cost/benefit of hiring additional support staff to achieve proper segregation of duties, but at this time, it is not possible due to budget constraints.

Anticipated Completion Date: Ongoing

2021-002 Financial Statement Preparation

Corrective Action Plan: The District has evaluated the cost/benefit of outsourcing the task of preparing the financial statements to the auditors. The District has determined that it is in the best interest of the District to continue to do so. The District carefully reviews the draft of the financial statements and notes prior to approving them and will accept responsibility for their content and presentation.

Anticipated Completion Date: Ongoing

2021-003 Special Education Teachers with No Valid License

The District will review the licensure information for its employees on a periodic basis to ensure compliance with the Department's guidelines.

Anticipated Completion Date: It is expect to be corrected for the 2021-2022 and future years.

Contact Information: For more information regarding these findings please contact Maggie Gagnon, Director of Business Services at 920-788-7944.

Sincerely,

Maggie Gagnon
Director of Business Services