

November 17, 2020

School Board Members  
School District of Fall Creek  
336 East Hoover Avenue  
Fall Creek, WI 54742

Dear School Board Members:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Fall Creek (the "District") for the year ended June 30, 2020. Professional standards require that we provide you with the following information related to our audit:

***Our Responsibilities Under Auditing Standards Generally Accepted in the United States and Government Auditing Standards***

As stated in our engagement letter dated March 23, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with such provisions was not an objective of our audit.

### **Required Supplementary Information Accompanying Audited Financial Statements**

We applied certain limited procedures to the budgetary comparison schedule – general fund, schedules of the employer’s proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedule of changes in the employer’s net pension liability (asset) and related ratios – District pension plan, schedule of employer contributions – District pension plan, schedule of investment returns – District pension plan, schedule of changes in the employer’s net OPEB liability and related ratios – District OPEB plan, schedule of employer contributions – District OPEB plan, and schedule of investment returns – District OPEB plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Supplementary Financial Information Accompanying Audited Financial Statements**

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

### **Other Information in Documents Containing Audited Financial Statements**

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

### **Other Information in Documents Containing Audited Financial Statements (Continued)**

In relation to the preceding paragraph, we remind District management of the following clause in the engagement letter:

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

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to your representative, Debby Brunett, through discussions and written correspondence, in addition to our engagement letter dated March 23, 2020, accepted by Joe Sanfelippo.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District implemented GASB Statement No. 84, Fiduciary Activities established standards of accounting and financial reporting for fiduciary activities. It was determined that the District's Student Activity funds did not meet the criteria to be reported as a fiduciary activity. Therefore, the District reclassified Student Activity funds totaling \$16,442 previously reported in an Agency fund to the District's student activity fund as a result of implementing GASB Statement No. 84.

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### **Qualitative Aspects of Accounting Practices (Continued)**

The most sensitive estimates affecting the financial statements were as follows:

- The adequacy of the estimated liability for the net OPEB liability and the estimated liability for the net pension liability are subjective and contingent upon the methods and assumptions used in the actuarial study. We evaluated key factors and assumptions used to develop the assets for the postemployment benefits in determining that it is reasonable in relation to the financial statements.
- The District is required to capitalize and depreciate its capital assets. The District has to estimate the useful lives of these assets for the purposes of calculating depreciation. We reviewed the lives assigned to the assets in order to determine that depreciation expense on the assets is reasonable.
- The information used for the net pension liability and deferred outflows and inflows related to pension for the Wisconsin Retirement System (WRS) were provided by WRS and audited by the plan auditor. We reviewed the independent auditor's report, evaluated the competence and independence of the plan auditor, and verified and recalculated the allocation percentage and the amounts allocated to the District for its proportional share of the WRS collective pension amounts.

### **Difficulties Encountered in Performing the Audit**

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

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### **Disagreements With Management**

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

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated November 17, 2020, a copy of which accompanies this letter.

### **Management Consultation With Other Independent Accountants**

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

### **Other Audit Findings or Issues**

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

### **Internal Control Matters**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

**Other Audit Findings or Issues (Continued)**

Internal Control Matters (Continued)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the District's internal control to be a material weakness:

Financial Accounting and Reporting

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

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

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

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

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

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

**Other Audit Findings or Issues (Continued)**

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

Segregation of Duties

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

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

Cause – Limited staff available and inadequate compensating controls.

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

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

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

**Other Matters**

In addition, we have the following comments and suggestions:

**Other Matters (Continued)**

Uniform Guidance Implementation in Policies and Procedures – Many granting agencies and program auditors have provided a grace period for either an informal or lack of formal policies and procedures. As you receive grant funds (both federal and state), it is mandatory that your policies and procedures meet the requirements of 2 CFR Part 200, Uniform Guidance Requirements. (“Uniform Guidance”). Uniform Guidance requires effective controls to manage grant awards and to have written policies and procedures in place over certain compliance requirements. Further, Uniform Guidance states that internal controls for non-federal entities should be in compliance with guidance in the Standards for Internal Control in the Federal Government (Green Book) issued by the Comptroller General of the United States or the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Having strong internal controls and understanding the rules governing how you can and cannot spend federal dollars are key to proper fiscal management and overall compliance in the organization.

We recommend key individuals involved with grants attend training as they will benefit from understanding the rules and requirements of 2 CFR Part 200, Uniform Guidance Requirements. If these requirements are not properly implemented, the organization may be negatively impacted in its ability to retain state and federal grants and may cause federal compliance findings. Additionally, we can assist you with updating your policies and procedures to ensure that they comply with 2 CFR Part 200, Uniform Guidance Requirements (“Uniform Guidance”).

Policies and Procedures – The Uniform Guidance requires the following written procedures:

- Cash Management (§200.302(b)(6))
- Allowability of Costs (§200.302(b)(7))
- Conflict of Interest (§200.318(c)(1-2))

In addition, the District should review their current written policies and procedures to ensure the capitalization policy (§200.313) and procurement policies (§200.318-.326) are in compliance with the Uniform Guidance.

Cybersecurity Assessment – Cyber threats are growing and becoming more sophisticated. Local governments need strong detection and response capabilities in order to quickly identify threats and act before they turn into a breach. Thieves have gotten smarter, and technology more complex. Throughout the news, we have seen a rise in local governmental ransomware and other coordinated cyberattacks.

Rapidly changing IT environments call for security programs that stay on track, yet continually evolve. We highly recommend the organization complete a cybersecurity risk assessment. Our experts can assess the organization’s controls for identifying, protecting, detecting, responding and recovering from such an event. Because the organization has sensitive information for employees, and citizens, we recommend this evaluation.



**Other Matters (Continued)**

Pension and OPEB Benefits

The District provides pension and OPEB benefits to eligible retirees. In accordance with applicable standards, your District will be required to have a new actuarial study completed every two years for the pension and OPEB benefits and have the actuary update the study to roll the balances forward in the years a study is not done. As of June 30, 2020, the net pension liability for the District pension plan is \$134,948 and the net OPEB asset for the District OPEB plan is \$27,469.

Custodial Credit Risk

Occasionally the District's cash and cash equivalents maintained at financial institutions exceed insured amounts. Accounts at each institution within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for combined amount of all time and savings accounts (including NOW accounts) and \$250,000 for all demand deposit accounts (interest-bearing and non-interest-bearing). Accounts at each institution outside the state of Wisconsin are insured by the FDIC up to \$250,000 for the combined total of all deposit accounts. In addition, the State of Wisconsin Public Deposit Guarantee Fund guarantees the District's deposits for up to \$400,000 per public depository. Amounts on deposit at June 30, 2020, were in excess of these insured and guaranteed amounts by \$236,178. The District had collateral pledged from the bank that covered \$236,178 of the excess that occurred during the past year. There was no remaining amounts exposed to custodial credit risk as uninsured and collateral held by the pledging institutions trust department or agent but not in the District's name.

Financial Overview

General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$73,657 for the year ended June 30, 2020. This leaves the District in the following General Fund equity position at June 30, 2020:

General Fund equity - June 30, 2019 (Budgetary Basis)	\$ 1,367,778
Revenues over expenditures (Budgetary Basis)	73,657
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General Fund equity - June 30, 2020 (Budgetary Basis)	\$ 1,441,435

It is encouraging that the District was able to increase its fund equity by \$73,657 for the current year, since the budget anticipated no increase. This increase can be primarily attributed to the District expending less than was budgeted in many categories.

**Other Matters** (Continued)

Financial Overview (Continued)

We commend the Board and management for their efforts during the past year that resulted in total expenditures under the amount budgeted.

Under the government-wide financial perspective, the governmental activities' revenues exceeded expenses by \$593,434 for the year ended June 30, 2020. This leaves the District in the following net position at June 30, 2020:

Government-wide Net Position - June 30, 2019, as restated	\$ 8,003,248
Revenues over expenses	593,434
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Government-wide Net Position - June 30, 2020	\$ 8,596,682

It should be noted, however, that only \$551,362 of the net position is unrestricted. The remainder of the net position is reported as restricted for specific programs or as a net investment in capital assets.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We thank the employees and administration of the District for the cooperation and assistance given us during our engagement. Should you require additional information on the above communications, we would welcome the opportunity to discuss it with you.

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

Sincerely,



Wipfli LLP  
Certified Public Accountants

Enclosure: Management Representation Letter



# SCHOOL DISTRICT *of* FALL CREEK

336 E. Hoover Ave. • Fall Creek, WI 54742 • (715) 877-2123

November 17, 2020

Wipfli LLP  
4890 Owen Ayres Court, Suite 200  
Eau Claire, WI, 54701

This representation letter is provided in connection with your audit of the financial statements of the School District of Fall Creek (the "District"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

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

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

## Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 23, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We agree with the adjusting journal entry proposed by you and which are given effect to in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### Information Provided

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the District Board or summaries of actions of recent meetings for which minutes have not yet prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud affecting the District involving:
  - a. Management.
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financials statements.
17. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
18. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including side agreements of which we are aware.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources of resources, and fund balance (deficit) or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contacts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose

effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.

29. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards and state financial assistance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards and state financial assistance.
30. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
31. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
32. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
33. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
34. The financial statements include all fiduciary activities required by GASBS. No. 84.
35. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASBS No 84.
36. All funds that meet the qualitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
37. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
38. Provisions for uncollectible receivables have been properly identified and recorded.
39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
41. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
43. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
44. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
45. We are following our established policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
46. The District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
47. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the District vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
48. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
49. We are responsible for the management's discussion and analysis and have chosen not to present it, which will require modification to the auditor's opinion.
50. With respect to the supplementary information, which includes the schedules of expenditures of federal awards and state financial assistance:
  - a. We acknowledge our responsibility for presenting the supplementary information in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

51. With respect to the general equalization aids program:

- a. We acknowledge our responsibility for presenting the schedules of expenditures of federal awards and state financial assistance as required by the Wisconsin Department of Public Instruction (DPI), and we believe the schedules of expenditures of federal awards and state financial assistance, including their form and content, are fairly presented in accordance with DPI requirements. The methods of measurement of the schedules of expenditures of federal awards and state financial assistance have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the schedules of expenditures of federal awards and state financial assistance.
- b. If the schedules of expenditures of federal awards and state financial assistance are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedules of expenditures of federal awards and state financial assistance no later than the date we issue the supplementary information and auditor's report thereon.
- c. We have identified in the schedules of expenditures of federal awards and state financial assistance all awards made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- d. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to general equalization aid programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each program.
- e. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to general equalization aid programs that provides reasonable assurance that we are managing our programs in compliance with state statutes, regulations, and the provisions of contracts and grant agreements that could have a material effect on each program. We believe the internal control system is adequate and is functioning as intended.
- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relating to the general equalization aid programs.
- g. We have received no request from a federal agency to audit one or more specific programs as a major program

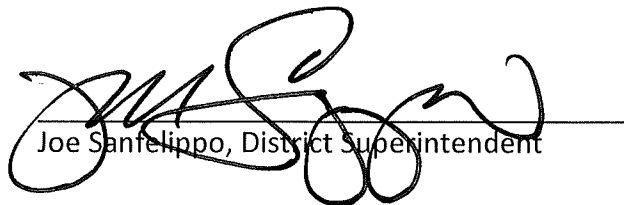


- h. We have complied with direct and material compliance requirements relating to the general equalization aid programs and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of these programs.
- i. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- l. We have made available to you all documentation related to the compliance with the direct material compliance requirements, including information related to the general equalization aid program financial reports and claims for advances and reimbursements.
- m. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- n. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- o. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- p. Program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- q. The copies of state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
- r. We have charged costs to federal awards in accordance with applicable cost principles.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Wisconsin Department of Public Instruction and we have provided you with all information on the status of the follow-up on prior audit findings, including all management decisions.
- t. We are responsible for preparing and implementing a corrective action plan for each audit finding.

- u. We specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act or Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the year ended June 30, 2019, in excess of the \$750,000 single audit threshold.

Sincerely,

SCHOOL DISTRICT OF FALL CREEK



Joe Santelippo, District Superintendent



Debby Brunett, District Business Manager - Consultant