VERONA AREA SCHOOL DISTRICT
Verona, Wisconsin

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023



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VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	8
BALANCE SHEET – GOVERNMENTAL FUNDS	9
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL FUNDS	10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	11
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	12
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	15
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	16
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	17
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	18
NOTES TO BASIC FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	59
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND	60
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)	61
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION	61
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION — LAST TEN FISCAL YEARS	62

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – SUPPLEMENTAL PENSION 63

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS 64

SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS ASSET AND RELATED RATIOS 65

SCHEDULE OF INVESTMENT RETURNS 66

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY 67

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCAL RETIREE LIFE INSURANCE FUND 67

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION 68

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET 73

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 74

SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS 75

ANALYSIS OF LOCAL LEVY 76

OTHER INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AND AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 78

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

FEDERAL AND STATE AWARDS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES* **81**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS **84**

SCHEDULE OF EXPENDITURES OF STATE AWARDS **85**

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS **86**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS **87**

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INDEPENDENT AUDITORS' REPORT

Board of Education
Verona Area School District
Verona, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Verona Area School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the pension and other postemployment benefits (OPEB) schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of charter school authorizer operating costs, and analysis of local levy are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of charter school authorizer operating costs, and analysis of local levy are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 1, 2023

BASIC FINANCIAL STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 31,015,355	$ 1,000	$ 31,016,355
Accounts Receivable	94,282	18,124	112,406
Taxes Receivable	23,039,062	-	23,039,062
Internal Balances	(1,558,949)	1,895,738	336,789
Due from Employee Benefit Trust Fund	59,983	4,702	64,685
Due from Other Governments	2,129,543	57,246	2,186,789
Prepaids, Inventories, and Other Current Assets	258,878	21,220	280,098
Total Current Assets	55,038,154	1,998,030	57,036,184
Noncurrent Assets:			
Capital Assets:			
Land	13,941,655	-	13,941,655
Construction in Progress	431,677	-	431,677
Land Improvements	7,045,693	-	7,045,693
Buildings and Building Improvements	240,446,127	-	240,446,127
Furniture and Equipment	17,904,460	805,647	18,710,107
Subtotal	279,769,612	805,647	280,575,259
Less: Accumulated Depreciation	(66,251,771)	(413,421)	(66,665,192)
Total Capital Assets	213,517,841	392,226	213,910,067
Total Noncurrent Assets	213,517,841	392,226	213,910,067
Total Assets	268,555,995	2,390,256	270,946,251
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges - WRS	49,265,206	685,774	49,950,980
Deferred Pension Charges - Supplemental Pension	2,853,966	-	2,853,966
Deferred OPEB Charges - LRLIF	578,158	9,640	587,798
Deferred OPEB Charges - Retiree Health	5,544,248	87,449	5,631,697
Loss on Refunding	684,676	-	684,676
Total Deferred Outflows of Resources	58,926,254	782,863	59,709,117
Total Assets and Deferred Outflows of Resources	327,482,249	3,173,119	330,655,368

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Short-Term Note Payable	$ 9,000,000	$ -	$ 9,000,000
Accounts Payable	1,483,141	4,766	1,487,907
Accrued Liabilities	6,781,808	-	6,781,808
Accrued Interest	1,358,657	-	1,358,657
Unearned Revenues	-	89,960	89,960
Current Portion of Long-Term Liabilities	7,855,000	-	7,855,000
Total Current Liabilities	26,478,606	94,726	26,573,332
Noncurrent Liabilities:			
Net LRLIF Liability	1,472,988	24,560	1,497,548
Net Other Postemployment Benefits Liability	1,032,332	16,283	1,048,615
Net Supplemental Pension Liability	6,917,255	-	6,917,255
Net Pension Liability	13,507,866	186,921	13,694,787
Long-Term Liabilities, Less Current Portion	129,497,941	-	129,497,941
Total Noncurrent Liabilities	152,428,382	227,764	152,656,146
Total Liabilities	178,906,988	322,490	179,229,478
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits - Supplemental Pension	294,214	-	294,214
Deferred Pension Credits - WRS	28,354,679	392,371	28,747,050
Deferred OPEB Credits - LRLIF	1,190,052	19,842	1,209,894
Deferred OPEB Credits - Retiree Health	4,056,808	63,987	4,120,795
Total Deferred Inflows of Resources	33,895,753	476,200	34,371,953
Total Liabilities and Deferred Inflows of Resources	212,802,741	798,690	213,601,431
NET POSITION			
Net Investment in Capital Assets	86,749,006	392,226	87,141,232
Restricted for:			
Debt Service	2,285,642	-	2,285,642
Scholarships	85,336	-	85,336
Student Organizations	291,398	-	291,398
Special Projects	1,247,192	-	1,247,192
Capital Expansion	2,736,626	-	2,736,626
Unrestricted	21,284,308	1,982,203	23,266,511
Total Net Position	$ 114,679,508	$ 2,374,429	$ 117,053,937

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Net Revenue (Expense) and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES						
Instruction	$ 60,755,059	$ 2,531,503	$ 12,148,653	$ (46,074,903)	$ -	$ (46,074,903)
Support Services	36,963,705	-	186,768	(36,776,937)	-	(36,776,937)
Community Services	956,520	450,142	-	(506,378)	-	(506,378)
Nonprogram	2,019,858	-	-	(2,019,858)	-	(2,019,858)
Interest and Fiscal Charges	4,983,388	-	-	(4,983,388)	-	(4,983,388)
Depreciation and Amortization - Unallocated	36,983	-	-	(36,983)	-	(36,983)
Total Governmental Activities	105,715,513	2,981,645	12,335,421	(90,398,447)	-	(90,398,447)
BUSINESS-TYPE ACTIVITIES						
School Food Service Program	2,951,220	1,151,415	1,863,334	-	63,529	63,529
Total School District	$ 108,666,733	$ 4,133,060	$ 14,198,755	(90,398,447)	63,529	(90,334,918)
GENERAL REVENUES						
Property Taxes:						
General Purposes				56,977,166	-	56,977,166
Debt Services				9,215,865	-	9,215,865
Community Services				956,638	-	956,638
Capital Projects				2,001,000	-	2,001,000
State and Federal Aid Not Restricted to Specific Purposes:						
General				30,670,420	-	30,670,420
Interest and Investment Earnings				955,729	-	955,729
Gain on Disposal of Capital Assets				46,000	-	46,000
Miscellaneous				3,645,221	11,868	3,657,089
Total General Revenues				104,468,039	11,868	104,479,907
CHANGE IN NET POSITION				14,069,592	75,397	14,144,989
Net Position - Beginning of Year				100,609,916	2,299,032	102,908,948
NET POSITION - END OF YEAR				$ 114,679,508	$ 2,374,429	$ 117,053,937

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 23,616,897	$ 3,616,451	$ 3,782,007	$ 31,015,355
Accounts Receivable	92,427	-	1,855	94,282
Taxes Receivable	23,039,062	-	-	23,039,062
Due from Other Funds	896,717	-	2,054,677	2,951,394
Due from Employee Benefit Trust Fund	58,544	-	1,439	59,983
Due from Other Governments	2,129,543	-	-	2,129,543
Prepaids, Inventories, and Other Current Assets	258,878	-	-	258,878
Total Assets	$ 50,092,068	$ 3,616,451	$ 5,839,978	$ 59,548,497
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Short-Term Notes Payable	$ 9,000,000	$ -	$ -	$ 9,000,000
Accounts Payable	1,164,402	-	318,739	1,483,141
Accrued Salaries and Related Items	6,779,781	-	2,027	6,781,808
Due to Other Funds	4,161,091	301,152	48,100	4,510,343
Accrued Interest	329,000	-	-	329,000
Total Liabilities	21,434,274	301,152	368,866	22,104,292
FUND BALANCES				
Nonspendable	258,878	-	-	258,878
Restricted for:				
Debt Service Retirement	-	3,315,299	-	3,315,299
Scholarships	-	-	85,336	85,336
Student Organizations	-	-	291,398	291,398
Capital Expansion	-	-	2,736,626	2,736,626
Special Projects	-	-	1,247,192	1,247,192
Committed for:				
Self Insurance	39,506	-	-	39,506
Assigned	28,359,410	-	1,110,560	29,469,970
Total Fund Balances	28,657,794	3,315,299	5,471,112	37,444,205
Total Liabilities and Fund Balances	$ 50,092,068	$ 3,616,451	$ 5,839,978	$ 59,548,497

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balances - Governmental Funds		$ 37,444,205
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Governmental Capital Assets	279,769,612	
Governmental Accumulated Depreciation	(66,251,771)	213,517,841
The District's net other postemployment benefits (OPEB) asset and deferred outflows and inflows of resources are not reported in the governmental funds but are in the Statement of Net Position.		455,108
The District's net local retiree life insurance fund (LRLIF) liability and deferred outflows and inflows of resources are not reported in the governmental funds but are in the Statement of Net Position.		(2,084,882)
The District's net supplemental pension liability and related deferred inflows and outflows of resources are recorded only on the Statement of Net Position.		(4,357,503)
The District's proportionate share of the net pension asset and deferred outflows and inflows of resources related to their participation in WRS are not recorded in the governmental funds but are recorded in the Statement of Net Position.		20,910,527
Some liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of the following:		
Bonds Payable	(129,205,000)	
Notes Payable	(480,000)	
Premium on Bonds and Notes Payable	(4,089,511)	
Discount on Bonds and Notes Payable	45,676	
Loss on Refunding	684,676	
Net Pension Liability	(13,507,866)	
Accrued Interest on Bonds and Notes Payable	(1,029,657)	
Compensated Absences	(3,624,106)	(151,205,788)
Net Position of Governmental Activities		$ 114,679,508

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local Sources:				
Property Taxes	$ 56,977,166	$ 9,215,865	$ 2,957,638	$ 69,150,669
Other Local Sources	432,190	-	1,869,296	2,301,486
Interdistrict Sources	1,992,078	-	-	1,992,078
State Sources	36,233,014	-	44,932	36,277,946
Federal Sources	5,263,182	-	-	5,263,182
Other Sources	4,617,928	130,187	51,629	4,799,744
Total Revenues	105,515,558	9,346,052	4,923,495	119,785,105
EXPENDITURES				
Instruction:				
Regular Instruction	31,642,304	-	485,345	32,127,649
Vocational Instruction	1,825,991	-	21,911	1,847,902
Co-Curricular Activities	1,001,055	-	676,153	1,677,208
Special Instruction	13,557,863	-	-	13,557,863
Physical Curriculum	1,912,821	-	500	1,913,321
Support Services:				
Pupil Services	5,381,379	-	299	5,381,678
Instructional Staff Services	6,298,972	-	3,480	6,302,452
General Administration	3,015,364	-	2,160	3,017,524
School Administration	4,426,752	-	274,288	4,701,040
Business Services	3,238,230	-	56,266	3,294,496
Operation and Maintenance of Plant	8,176,538	-	198,772	8,375,310
Pupil Transportation Services	3,155,371	-	21,877	3,177,248
Central Services	628,975	-	-	628,975
Insurance	1,213,012	-	-	1,213,012
Community Services	-	-	948,441	948,441
Other Support Services	495,997	-	5,934	501,931
Nonprogram	2,019,858	-	-	2,019,858
Debt Service:				
Principal	-	11,790,000	-	11,790,000
Interest	329,000	5,164,629	-	5,493,629
Total Expenditures	88,319,482	16,954,629	2,695,426	107,969,537
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,196,076	(7,608,577)	2,228,069	11,815,568
OTHER FINANCING SOURCES (USES)				
Transfers In	-	7,606,317	-	7,606,317
Transfers Out	(7,606,317)	-	-	(7,606,317)
Net Other Financing Sources (Uses)	(7,606,317)	7,606,317	-	-
NET CHANGE IN FUND BALANCES	9,589,759	(2,260)	2,228,069	11,815,568
Fund Balances - Beginning of Year	19,068,035	3,317,559	3,243,043	25,628,637
FUND BALANCES - END OF YEAR	$ 28,657,794	$ 3,315,299	$ 5,471,112	$ 37,444,205

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 11,815,568
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:		
Capital Outlays Reported in Governmental Fund Statements	1,550,552	
Depreciation Expense Reported in the Statement of Activities	(5,778,607)	
Amount by which Capital Outlays are Greater than Depreciation in the Current Year		(4,228,055)
Fixed Asset Disposals in Current Year	(28,127)	
Accumulated Depreciation on Fixed Asset Disposals	16,114	
Loss on Disposal of Fixed Assets		(12,013)
(Premiums) Discounts received on bond and promissory note issuance is reported as (revenue) expense in the governmental funds, but is capitalized and amortized over the life of the bonds/notes in the statement of net position and the Statement of Activities.		
Discount on Issuance of Long-Term Refunding Debt	(6,229)	
Premium (Discount) Amount Amortized in the Current Year	536,740	
Deferred Amount on Refunding Amortized in the Current Year	(118,211)	
		412,300
Compensated absences are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Compensated Absences Paid in Current Year	7,967	
Compensated Absences Earned in Current Year	(589,880)	
Amounts Paid are Less than Amounts Earned by:		(581,913)
Changes in the District's proportionate share of the net pension asset and deferred outflows and inflows of resources related to WRS for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(3,401,225)
Changes in the District's net pension liability and deferred outflows and inflows of resources related to supplemental pension benefits for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(1,012,797)
Changes in the District's net other postemployment benefit asset and deferred outflows and inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(706,475)

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023

Changes in the District's net local retiree life insurance fund liability and deferred outflows and inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(103,739)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.	
Amount of Long-Term Debt Principal Payments in the Current Year	11,790,000
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.	
Amount of Interest Accrued during the Current Year	97,941
Change in Net Position of Governmental Activities	$ 14,069,592

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2023

	Food Service Fund
ASSETS	
Current Assets:	
Cash	$ 1,000
Accounts Receivable	18,124
Prepaid Expenses	21,220
Due from Other Funds	1,895,738
Due from Employee Benefit Trust Fund	4,702
Due from Other Governments	57,246
Total Current Assets	1,998,030
Noncurrent Assets:	
Furniture and Equipment	805,647
Less: Accumulated Depreciation	(413,421)
Total Noncurrent Assets	392,226
Total Assets	2,390,256
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OPEB Charges - Retiree Health	87,449
Deferred OPEB Charges - LRLIF	9,640
Deferred Pension Charges - WRS	685,774
Total Deferred Outflows of Resources	782,863
Total Assets and Deferred Outflows of Resources	3,173,119
LIABILITIES	
Current Liabilities:	
Accounts Payable	4,766
Unearned Revenues	89,960
Total Current Liabilities	94,726
Noncurrent Liabilities:	
Net LRLIF Liability	24,560
Net Other Postemployment Benefits Liability	16,283
Net Pension Liability	186,921
Total Noncurrent Liabilities	227,764
Total Liabilities	322,490
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits - WRS	392,371
Deferred OPEB Credits - LRLIF	19,842
Deferred OPEB Credits - Retiree Health	63,987
Total Deferred Inflows of Resources	476,200
Total Liabilities and Deferred Inflows of Resources	798,690
NET POSITION	
Net Investment in Capital Assets	392,226
Unrestricted Deficit	1,982,203
Total Net Position	$ 2,374,429

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Food Service Fund
REVENUES	
Food Sales	$ 1,151,415
State Sources	49,784
Federal Sources	1,549,691
Federal Commodities	263,859
Other Revenues	11,868
Total Revenues	3,026,617
OPERATING EXPENSES	
Salaries and Wages	875,348
Employer Paid Benefits	356,133
Purchased Services	18,008
Supplies, Food, and Materials	1,663,884
Other	25,300
Depreciation	12,547
Total Operating Expenses	2,951,220
CHANGE IN NET POSITION	75,397
Net Position - Beginning of Year	2,299,032
NET POSITION - END OF YEAR	$ 2,374,429

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 1,105,440
Cash Received from Other Government Payments	1,807,134
Cash Payments to Employees for Services	(1,145,495)
Cash Payments to Suppliers for Goods and Services	(1,767,079)
Net Cash Used by Operating Activities	-
NET CHANGE IN CASH	-
Cash - Beginning of Year	1,000
CASH - END OF YEAR	$ 1,000
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	$ 75,397
Adjustments to Reconcile Change in Net Position to Net Cash Used by Operating Activities:	
Depreciation	12,547
Changes in Assets and Liabilities:	
Accounts Receivable	(12,673)
Prepaid Expenses	(5,975)
Due from Other Governments	(56,200)
Accounts Payable	1,756
Due from\to Other Funds	(55,668)
Due from Employee Benefit Trust Fund	(1,962)
Net WRS Pension Asset and Related Deferred Outflows/Inflows	74,061
Net LRLIF Liability and Related Deferred Outflows/Inflows	1,655
Net OPEB Asset and Related Deferred Outflows/Inflows	12,232
Unearned Revenue	(45,170)
Net Cash Used by Operating Activities	$ -

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2023

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ASSETS		
Cash and Investments	$ 11,472,416	$ 4,029,095
LIABILITIES		
Due to District Funds	401,474	-
NET POSITION		
Restricted for:		
OPEB Benefits	11,070,942	-
Stipend Benefits	-	4,029,095
Total Net Position	$ 11,070,942	$ 4,029,095

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ADDITIONS		
Investment Earnings	$ (266,534)	$ 203,048
Total Additions	(266,534)	203,048
DEDUCTIONS		
Benefit Payments	2,015,152	1,511,147
Administrative Expenses	29,134	16,387
Total Deductions	2,044,286	1,527,534
CHANGE IN NET POSITION	(2,310,820)	(1,324,486)
Net Position - Beginning of Year	13,381,762	5,353,581
NET POSITION - END OF YEAR	$ 11,070,942	$ 4,029,095

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

The District is organized as a common school district under the Wisconsin State Statutes. The District, governed by a seven-member elected school board, operates grades K through 12 and is comprised of all or parts of seven taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has 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 accounted for in another fund. This fund includes activities associated with providing educational programs for students with disabilities.

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. For report purposes, the District has combined its debt services funds into one fund.

The District has the following nonmajor governmental funds:

Special Revenue Fund

Capital Expansion Fund

Community Services Fund

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The District operates one proprietary fund:

Food Service Fund – This fund accounts for the activities of the District's food service program.

Additionally, the District reports the following fiduciary fund:

Private Purpose Trust Funds – The District accounts for assets that are accumulated to finance retiree health insurance benefits and stipend benefits in an employee benefit trust fund.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary custodial funds do not have a measurement focus.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The District's cash and investments consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government investment pool fund.

Investments, other than the investments in the local government investment pool, are stated at fair value. Determination of net asset value for investment in the local government investment pool is based on information provided by the State of Wisconsin Investment Board.

2. Receivables and Payables

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

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. 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 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1st, 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 30th and are available to pay current liabilities.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are classified as nonspendable fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. Inventories and Prepaid Items

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year’s cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or net realizable value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

Assets not being depreciated include land and construction in progress. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Building Improvements	$ 5,000	Straight-line	20 - 50 Years
Land Improvements	5,000	Straight-line	20 Years
Food Service Equipment	5,000	Straight-line	5 - 20 Years
Other Furniture, Fixtures, and Equipment	5,000	Straight-line	5 Years
Library Books and Video Collections	5,000	Straight-line	5 Years

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. Deferred outflows of resources are reported in these financial statements related to pensions, other postemployment benefits, and loss on refunding.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. The District reports deferred inflows of resources related to pensions and other postemployment benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Compensated Absences

Vacation. Support personnel are provided paid vacation days based on years of service, accumulating up to 40 days. Administrative staff are provided paid vacation days based on years of service, accumulating up to 60 days.

General Leave. General leave includes sick leave and other compensated absences. Employees earn varying amounts of general leave for each year employed, accumulating to a maximum vested amount of 141 days. Teaching staff and support staff become fully vested in accumulated unpaid general leave after attaining five years of service.

Administrative staff is immediately fully vested. Upon retirement or termination of employment, the employee is entitled to be paid accumulated vested general leave in cash.

8. Other Postemployment Benefits (OPEB) – Retiree Health and Local Retiree Life Insurance Fund (LRLIF) benefits

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to Other Postemployment Benefits, OPEB expense (revenue). Information about the fiduciary net position of the LRLIFs fiduciary net position have been determined on the same basis as they are reported by the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net other postemployment benefits liability (asset) for retiree medical benefits, deferred OPEB charges, deferred OPEB credits, and the related OPEB expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

9. Pension Benefits – including Wisconsin Retirement System and Supplemental Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

10. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. In the government-wide financial statement, premiums are capitalized on the statement of net position and amortized over the life of the related debt.

Premiums and discounts associated with the issuance of general obligation bonds and promissory notes are being amortized using the effective interest method over the life of the bonds and notes.

11. Use of Restricted Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

12. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources is classified as follows in the District's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period.

Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain an assigned portion of fund balance of at least 10% but not greater than 15% of the anticipated general fund expenditure budget for the subsequent year. In addition, the District shall strive to maintain a minimum fund balance in their self-funded dental insurance plan of 10% of premium costs.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Superintendent has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned, and finally unassigned fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

12. Equity Classifications (Continued)

Fund Financial Statements (Continued). The District's policy on fund balance is to maintain a level of fund balance which strives to avoid cash flow borrowing, help maintain the District's current high-quality bond ratings, to provide a resource for emergency expenditures, to build a reasonable reserve, and to ensure continuity of the District's self-funded dental insurance plan. See Note 12 for additional information regarding the District's fund balances.

NOTE 2 DEPOSITS AND INVESTMENTS

The debt service fund and capital projects fund account for their transactions through separate and distinct investment accounts as recommended by the Department of Public Instruction. In addition, the fiduciary fund trust funds use separate and distinct accounts. All other funds share in common bank and investments accounts.

The District's cash and investments balances at June 30, 2023 comprised of the following:

	Book Balance	Bank Balance	Risks*
Petty Cash	$ 1,000	$ -	
Demand Deposits	4,759,262	5,125,908	CCR
Savings Deposits	87,539	87,539	CCR
Certificates of Deposits - Direct Placement	68,760	68,760	CCR
LGIP	22,712,454	22,712,454	CCR, CR, IRR
WISC - Cash Management Fund	2,620,739	2,620,739	CCR
WISC - Investment Class Fund	854,436	854,436	CCR, CR, IRR
U.S. Agencies	1,599,096	1,599,096	CCR, CR, IRR
Municipal Securities	2,522,578	2,522,578	CCR, CR, IRR
Corporate Bonds	9,054,985	9,054,985	CCR, CR, IRR
Fixed Income Contract	2,237,017	2,237,017	CCR, CR, IRR
Total	$ 46,517,866	$ 46,883,512	

*Custodial Credit Risk (CCR), Credit Risk (CR), Interest Rate Risk (IRR)

The District's cash and investments balances at June 30, 2023 are presented in the financial statements as follows:

Governmental Funds	$ 31,015,355
Business-Type Activities	1,000
Employee Benefit Trust Funds:	
OPEB Benefits	11,472,416
Stipend Benefits	4,029,095
Total	$ 46,517,866

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for demand deposit accounts and $250,000 for time deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of $400,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at June 30, 2023, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

As of June 30, 2023, $4,875,908 of the District's bank balance of $5,213,053 was uninsured or uncollateralized.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments were uninsured and exposed to custodial credit risk as of June 30, 2023.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of June 30, 2023, the District's investments had credit ratings as follows:

	Credit Rating					
Investments	AAA/Aaa	AA+\Aa1	AA\Aa2	AA-\Aa3	A+\A1	A\A2
LGIP	$ -	$ -	$ -	$ -	$ -	$ -
WISC-Investment Class Fund	-	-	-	-	-	-
U.S. Agencies	-	396,158	-	-	-	-
Municipal Securities	343,982	508,550	592,168	458,264	619,614	-
Corporate Bonds	620,533	267,702	680,553	-	1,393,230	1,275,926
Fixed Income Contract	-	-	-	-	-	-
Total	$ 964,515	$ 1,172,410	$ 1,272,721	$ 458,264	$ 2,012,844	$ 1,275,926

	Credit Rating				
Investments	A-\A3	BBB+\Baa1	BBB/Baa2	Not Defined	Total
LGIP	$ -	$ -	$ -	$ 22,712,454	$ 22,712,454
WISC-Investment Class Fund	-	-	-	854,436	854,436
U.S. Agencies	-	-	-	1,202,938	1,599,096
Municipal Securities	-	-	-	-	2,522,578
Corporate Bonds	1,070,199	2,011,061	1,735,781	-	9,054,985
Fixed Income Contract	-	-	-	2,237,017	2,237,017
Total	$ 1,070,199	$ 2,011,061	$ 1,735,781	$ 27,006,845	$ 38,980,566

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2023, the Wisconsin local government investment pool had a weighted average maturity of 30 days. The District's investments mature as follows:

	Years to Maturity			
Investments	< 1	1-5	6-10	11-20
LGIP	$ 22,712,454	$ -	$ -	$ -
WISC-Investment Class Fund	854,436	-	-	-
U.S. Agencies	-	570,841	1,028,255	-
Municipal Securities	-	-	588,055	1,652,329
Corporate Bonds	644,254	35,295	907,230	3,358,895
Fixed Income Contract	-	-	-	-
Total	$ 24,211,144	$ 606,136	$ 2,523,540	$ 5,011,224

	Years to Maturity			
Investments	21-30	31-40	Not Defined	Total
LGIP	$ -	$ -	$ -	$ 22,712,454
WISC-Investment Class Fund	-	-	-	854,436
U.S. Agencies	-	-	-	1,599,096
Municipal Securities	282,194	-	-	2,522,578
Corporate Bonds	2,773,393	1,335,918	-	9,054,985
Fixed Income Contract	-	-	2,237,017	2,237,017
Total	$ 3,055,587	$ 1,335,918	$ 2,237,017	$ 38,980,566

Concentration of Credit Risk

As of June 30, 2023, the District did not have a concentration of greater than 5% of in any individual investment.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of net position is based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

As of June 30, 2023, the District has the following assets subject to fair value measurement:

Description	Level 1	Level 2	Level 3	Total
U.S. Agencies	$ -	$ 1,599,096	$ -	$ 1,599,096
Municipal Securities	-	2,522,578	-	2,522,578
Corporate Bonds	-	9,054,985	-	9,054,985
WISC - Investment Class Fund	-	854,436	-	854,436
Fixed Income Contract	-	2,237,017	-	2,237,017
Total	$ -	$ 18,888,851	$ -	$ 18,888,851

NOTE 3 CAPITAL ASSETS

Changes in the capital assets for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 13,941,655	$ -	$ -	$ 13,941,655
Construction Work in Progress	-	431,677	-	431,677
Total Capital Assets, Not Being Depreciated	13,941,655	431,677	-	14,373,332
Capital Assets, Being Depreciated:				
Land Improvements	6,960,033	85,660	-	7,045,693
Buildings and Building Improvements	240,044,613	401,514	-	240,446,127
Furniture and Equipment	17,300,886	631,701	(28,127)	17,904,460
Total Capital Assets, Being Depreciated	264,305,532	1,118,875	(28,127)	265,396,280
Less Accumulated Depreciation for:				
Land Improvements	(3,902,518)	(156,686)	-	(4,059,204)
Buildings and Building Improvements	(47,583,268)	(4,728,175)	-	(52,311,443)
Furniture and Equipment	(9,003,492)	(893,746)	16,114	(9,881,124)
Total Accumulated Depreciation	(60,489,278)	(5,778,607)	16,114	(66,251,771)
Total Capital Assets, Being Depreciated, Net	203,816,254	(4,659,732)	(12,013)	199,144,509
Governmental Activities Capital Assets, Net	$ 217,757,909	$ (4,228,055)	$ (12,013)	$ 213,517,841
Business-Type Activities				
Capital Assets, Being Depreciated:				
Furniture and Equipment	$ 805,647	$ -	$ -	$ 805,647
Less Accumulated Depreciation	(400,874)	(12,547)	-	(413,421)
Business-Type Activities Capital Assets, Net	$ 404,773	$ (12,547)	$ -	$ 392,226

Depreciation was charged to governmental functions as follows:

Instruction:	
Regular Instruction	$ 5,200,746
Support Services:	
General Administrative Services	214,964
Operation and Maintenance of Plant	153,711
Pupil Transportation Services	172,203
Unallocated Depreciation	36,983
Total Depreciation for Governmental Activities	$ 5,778,607

NOTE 4 INTERFUNDS RECEIVABLES/ PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	$ 301,152
General Fund	Capital Projects Fund	12,200
General Fund	Fiduciary Funds	395,333
Special Revenue Fund	General Fund	1,190,639
Capital Projects Fund	General Fund	312,216
Food Service Fund	General Fund	1,866,708
Food Service Fund	Special Revenue Fund	29,030
Food Service Fund	Fiduciary Funds	4,702
Community Service Fund	General Fund	544,952
Community Service Fund	Special Revenue Fund	6,870
Community Service Fund	Fiduciary Funds	1,439
	Total	$ 4,665,241

Transfers

Fund Transferred To	Fund Transferred From	Amount
Debt Service Fund	General Fund	$ 7,606,317
	Total	$ 7,606,317

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 SHORT-TERM DEBT

Short-term notes payable at June 30, 2023, are as follows:

	Balance June 30, 2022	Issued	Redeemed	Balance June 30, 2023
U.S. Bank National Association	$ 9,500,000	$ 9,000,000	$ (9,500,000)	$ 9,000,000
Total Short-Term Notes Payable	$ 9,500,000	$ 9,000,000	$ (9,500,000)	$ 9,000,000

The District issued tax and revenue anticipation promissory notes on October 28, 2022, in advance of property tax collections in the amount of $9,000,000 The notes are necessary because expenditure payments for the year begin in July, whereas the tax collections are received from the municipalities beginning in January. The notes bear interest at 2.0% and matured on September 27, 2023.

The District issued tax and revenue anticipation promissory notes on October 28, 2021, in advance of property tax collections in the amount of $9,500,000 The notes are necessary because expenditure payments for the year begin in July, whereas the tax collections are received from the municipalities beginning in January. The notes bear interest at 2.0% and matured on September 28, 2022.

Total interest on short-term debt paid during the year was $329,000.

NOTE 6 LONG-TERM LIABILITIES

Long-term obligations of the District for the year ended June 30, 2023 were as follows:

	Balances June 30, 2022	Additions	Reductions	Balances June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
Capital Projects	$ 132,545,000	$ -	$ (9,820,000)	$ 122,725,000	$ 6,150,000
Postemployment Benefits	7,640,000	-	(1,160,000)	6,480,000	1,225,000
Total Bonds Payable	140,185,000	-	(10,980,000)	129,205,000	7,375,000
Notes Payable:					
Capital Projects	320,000	-	(320,000)	-	-
Postemployment Benefits	970,000	-	(490,000)	480,000	480,000
Total Notes Payable	1,290,000	-	(810,000)	480,000	480,000
Total Bonds and Notes Payable	141,475,000	-	(11,790,000)	129,685,000	7,855,000
Other Liabilities:					
Compensated Absences	3,042,193	589,880	(7,967)	3,624,106	-
Bond and Note Premiums	4,626,251	-	(536,740)	4,089,511	-
Bond and Note Discounts	(51,905)	-	6,229	(45,676)	-
Total Other Liabilities	7,616,539	589,880	(538,478)	7,667,941	-
Total Governmental Activity Long-Term Liabilities	$ 149,091,539	$ 589,880	$ (12,328,478)	$ 137,352,941	$ 7,855,000

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and taxing powers of the District. Individual general obligation long-term debt issues outstanding at June 30, 2023 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
G.O. Promissory Notes Payable - Series 2014	09/08/14	04/01/24	2.00%-3.00%	$ 9,220,000	$ 480,000
G.O. Refunding Bonds, Series 2015	04/08/15	09/01/34	2.65%-4.00%	25,335,000	6,480,000
G.O. Corporate Purpose Bonds, Series 2017	11/21/17	04/01/37	2.00%-5.00%	85,000,000	54,775,000
G.O. Corporate Purpose Bonds, Series 2018	11/19/18	04/01/38	3.25%-5.00%	80,000,000	51,975,000
G.O. Refunding Bonds, Series 2020	09/08/20	03/01/34	0.30-1.65%	16,145,000	15,975,000
Total General Obligation Debt					$ 129,685,000

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2023 were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 7,855,000	$ 5,058,154	$ 12,913,154
2025	8,395,000	4,698,154	13,093,154
2026	8,780,000	4,343,792	13,123,792
2027	9,130,000	3,971,676	13,101,676
2028	9,455,000	3,577,782	13,032,782
2029 - 2033	51,780,000	13,404,862	65,184,862
2034 - 2037	34,290,000	5,069,758	39,359,758
Total	$ 129,685,000	$ 40,124,178	$ 169,809,178

Total interest on long-term debt paid during the year was $6,128,934.

Legal Debt Limit

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is $6,065,848,145. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of $6,065,848,145)	$ 606,584,815
Deduct Long-Term Debt Applicable to Debt Margin	(129,685,000)
Margin of Indebtedness	$ 476,899,815

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Defined Benefit Plan (Continued)

The WRS also provides death and disability benefits for employees.

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 January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the District's reporting period ending June 30, 2023, the WRS recognized $3,433,772 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

	Employee	Employer
General (including Teachers, Executives, and Elected Officials)	6.80 %	6.80 %

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a liability of $13,694,787 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.25850422%, which was an increase of 0.00529935% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $6,942,851.

At June 30, 2023, 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	$ 21,811,553	$ 28,655,484
Changes of Assumptions	2,692,962	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	23,264,282	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	18,899	91,566
District Contributions Subsequent to the Measurement Date	2,163,284	-
Total	$ 49,950,980	$ 28,747,050

The $2,163,284 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Inflows and Outflows of Resources
2024	$ 770,412
2025	3,936,767
2026	4,039,513
2027	10,293,954
Total	$ 19,040,646

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Liability	December 31, 2022
Experience Study	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.80%
Discount Rate	6.80%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.70%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % (3)
Public Equity	48.00%	7.60%	5.00%
Public Fixed Income	25.00%	5.30%	2.70%
Inflation Sensitive Assets	19.00%	3.60%	1.10%
Real Estate	8.00%	5.20%	2.60%
Private Equity/Debt	15.00%	9.60%	6.90%
Cash	-15.00%	N/A	N/A
Total Core Fund (3)	115.00%	7.40%	4.80%
Variable Fund Asset Class			
U.S. Equities	70.00%	7.20%	4.60%
International Equities	30.00%	8.10%	5.50%
Total Variable Funds	100.00%	7.70%	5.10%

(1) Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

(2) New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Single Discount Rate

A single discount rate of 6.80% 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 6.80% and a municipal bond rate of 4.05% (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, 2022. 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 6.80% expected rate of return implies that a dividend of approximately 1.7% 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.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT 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 6.80%, 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 one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of Net Pension Liability (Asset)	$ 45,452,554	$ 13,694,787	$ (8,151,831)

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

Payables to the Pension Plan

The District reported a payable to WRS of $925,559 as of June 30, 2023.

NOTE 8 SUPPLEMENTAL PENSION PLAN

The District provides a single-employer defined benefit supplemental pension benefit to eligible administrators, teachers, and nonunion support staff that is administered as a trust.

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the agreement covering administrators, and the agreement covering nonunion support personnel, the District provides supplemental retirement benefits to these employees who elect early retirement. Nonunion support personnel may choose either the supplemental pension benefit or the other postemployment benefits described in Note 10, but not both. The actuarial valuation assumes that 100% will choose the supplemental pension benefit. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. For teachers, the benefit is equal to 20% of the employee's final salary rate for five years. For administrators, the benefit is equal to 25% of the employee's final salary rate for seven years, to be paid out over five years, or until the employee qualifies for Medicare benefits, whichever comes first. For nonunion support staff, the benefit is equal to 20% of the employee's final salary rate for seven years or until the employee qualifies for Medicare benefits, whichever comes first.

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2023 and 2022, the plan has no legally-required reserves or designations, other than the net position of $4,029,095 and $5,353,581, respectively.

As of July 1, 2023, (the date used for participant data in the most recent actuarial valuation), the District had 68 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 152 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a net supplemental pension liability of $6,917,255 The net supplemental pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. For the year ended June 30, 2023, the District recognized pension expense of $1,012,798.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,870,746	$ -
Changes of Assumptions	14,437	112,147
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	968,783	182,067
Total	$ 2,853,966	$ 294,214

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Such amounts will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Inflows and Outflows of Resources
2024	$ 645,875
2025	790,605
2026	805,969
2027	317,286
2028	17
Thereafter	-

Actuarial Assumptions

The total supplemental pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2023
Measurement Date of Net Pension Liability (Asset)	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	4.00%
Discount Rate	4.00%
Salary Increases	3.00%
Inflation	2.00%
Mortality	WRS 2018-20 Experienced Mortality Rates - Healthy Lives Table
Termination	WRS 2018-20 Public School Withdrawal Experience Table

Service retirement assumptions are based upon WRS 2018-2020 Experience Retirement Rates.

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Changes in Net Supplemental Pension Liability

	Total Pension Liability (a)	Change in Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/22	$ 10,173,657	$ 5,353,581	$ 4,820,076
Changes for the Year:			
Service Cost	289,847	-	289,847
Interest on Total OPEB Liability	388,317	-	388,317
Experience Loss (Gain)	1,604,547	-	1,604,547
Changes in Assumptions	1,129	-	1,129
Benefit Payments	(1,511,147)	(1,511,147)	-
Net Investment Income	-	203,048	(203,048)
Administrative Expenses	-	(16,387)	16,387
Balances at 6/30/23	$ 10,946,350	$ 4,029,095	$ 6,917,255

Single Discount Rate

A single discount rate of 4.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.00%. This expected rate of return was based on a high quality municipal bond rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Net Supplemental Pension Liability to Changes in the Discount Rate

The following presents the District's net supplemental pension liability calculated using the discount rate of 4.00%, as well as what the district's net supplemental pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
District's Proportionate Share of Net Pension Liability (Asset)	$ 6,393,719	$ 6,917,255	$ 7,461,358

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN

The District maintains a single-employer defined benefit OPEB plan that is administered as a trust. The District accounts for OPEB under GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the Verona Area Educational Support Personnel Association, Nonunion Support Personnel, and the agreement covering administrators, the District provides other postemployment benefits (including medical insurance, dental insurance, and or long-term care coverage) to these employees who elect early retirement. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. The amount of the benefit is broken down into tiers, with tier eligibility being determined by years of service with the district, age, hire date, and retirement date.

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2023 and 2022, the plan has no legally-required reserves or designations, other than the net position of $11,070,942 and $13,381,762, respectively.

As of July 1, 2023, (the date of the most recent actuarial valuation), the District had 39 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 831 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Investments

The District maintains a policy over the Employee Benefit Trust Fund with the primary objectives as follows:

- Return – Obtain a reasonable long-term return consistent with the level of risk assumed. Specific return objectives may include fund performance that exceeds the rate of inflation, the assumed discount rate, and/or the total fund policy return which is typically defined as a return of a passively managed benchmark comprised of the annual portfolio weights for each asset class.
- Cost – Seek to control the cost of funding the Employee Benefit Trust Fund within prudent levels of risk through the investment of Trust assets.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Investments (Continued)

- Diversification – Provide diversification of assets in an effort to avoid the risk of large losses and maximize the investment return to the Employee Benefit Trust Fund consistent with market and economic risk.
- Safety – Preservation of principal by avoiding overly risky alternatives that may provide additional investment return but subject the portfolio to above market risk of large losses.

As of June 30, 2023, the District's policy does not define asset allocation with defined target allocations.

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was (4.16%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Net OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a net OPEB liability of $1,048,615. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2023. For the year ended June 30, 2023, the District recognized OPEB expense of $421,627.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 2,352,796	$ 3,631,758
Changes of Assumptions	230,905	489,037
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,047,996	-
Total	$ 5,631,697	$ 4,120,795

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Such amounts will be recognized in OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows and Outflows of Resources
2024	$ (377,443)
2025	(483,557)
2026	(534,149)
2027	158,359
Thereafter	(274,112)

Single Discount Rate

A single discount rate of 4.12% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on pension plan investments of 5.31%. This expected rate of return was based on a high quality municipal bond rate of 1.92%. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2023
Measurement Date of Net OPEB Asset	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	5.31%
Discount Rate	4.12%
Salary Increases	3.00%
Inflation	2.75%
Medical Care Cost Trend	Medical care trend rate, using Getzen Model of 8.12% to 4.14%
Mortality	PUBT-2020 Experience Mortality Rates
Termination	WRS 2018-20 Public School Withdrawal Experience Table

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Sources of changes in Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Change in Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances at 6/30/22	$ 10,848,148	$ 13,155,859	$ (2,307,711)
Changes for the Year:			
Service Cost	690,688	-	690,688
Interest on Total OPEB Liability	362,072	-	362,072
Differences Between Expected and Actual Experience	2,661,914	-	2,661,914
Changes in Assumptions	(427,863)	-	(427,863)
Adjustment	-	-	-
Benefit Payments	(2,015,401)	(40,381)	(1,975,020)
Net Investment Income	-	(2,015,401)	2,015,401
Administrative Expenses	-	(29,134)	29,134
Balances at 6/30/23	$ 12,119,558	$ 11,070,943	$ 1,048,615

Sensitivity of the District's Net OPEB liability to Changes in the Discount Rate and Health Care Trend Rate

The following presents the net OPEB asset of the district calculated using the discount rate of 4.12%, as well as what the district's net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower (3.12%) or one percentage-point higher (5.12%) than the current rate:

	1% Decrease to Discount Rate (3.12%)	Current Discount Rate (4.12%)	1% Increase to Discount Rate (5.12%)
Net OPEB (Asset) Liability	$ 1,258,579	$ 1,048,615	$ 1,061,225

The following presents the net OPEB asset of the District calculated using the healthcare trend rate of 8.12% decreasing to 4.14%, as well as what the District's net OPEB asset would be if it were calculated using a healthcare trend rate that is one percentage-point lower (7.12% decreasing to 3.14%) or one percentage-point higher (9.12% decreasing to 5.14%) than the current rate:

	1% Decrease to Healthcare Trend Rate (7.12% Decreasing to 3.14%)	Current Healthcare Trend Rate (8.12% Decreasing to 4.14%)	1% Increase to Healthcare Trend Rate (9.12% Decreasing to 5.14%)
Net OPEB (Asset) Liability	$ 1,035,875	$ 1,048,615	$ 1,061,225

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2023 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance
Member Contribution Rates*
For the Year Ended December 31, 2022

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit

During the year ending June 30, 2023, contributions to the LRIF from the District were not material to these financial statements.

LRLIF Liability, LRLIF Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF

At June 30, 2023, the District reported a liability of $1,497,548 for its proportionate share of the net LRLIF liability. The net LRLIF liability was measured as of December 31, 2022, and the total LRLIF liability used to calculate the net LRLIF liability was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. 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 LRLIF liability was based on the District's share of contributions to the LRLIF plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.39307500%, which was a decrease of 0.00450800% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized LRLIF expense (revenue) of $113,280.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to LRLIF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 146,560
Changes of Assumptions	538,036	883,964
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,100	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	21,662	179,370
Total	$ 587,798	$ 1,209,894

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

Year Ending June 30,	Net Deferred Inflows and Outflows of Resources
2024	$ (67,116)
2025	(74,088)
2026	(53,546)
2027	(124,240)
2028	(165,056)
Thereafter	(138,050)
Total	$ (622,096)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Actuarial Assumptions

The total LRLIF liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2022
Measurement Date of Net LRLIF Liability	December 31, 2022
Experience Study	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.76%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Wage	
Mortality	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45.00%	1.68%
U.S. Long Credit Bonds	Bloomberg US Long Credit	5.00%	1.82%
U.S. Mortgages	Bloomberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained the unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the Increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net LRLIF Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net LRLIF liability calculated using the discount rate of 3.76%, as well as what the District's proportionate share of the net LRLIF liability would be if it were calculated using a discount rate that is one percentage point lower (2.76%) or one percentage point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
District's Proportionate Share of Net LRLIF Liability	$ 2,041,748	$ 1,497,548	$ 1,080,482

NOTE 11 FUND BALANCE AND NET POSITION

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This includes items such as inventories, prepaid amounts, the long-term amount of loans and notes receivable, property held for resale (unless the proceeds are restricted, committed, or assigned), and the corpus of a permanent fund.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by constitution provisions, external resource providers, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by formal action of the Board of Education (the District's highest level of decision-making authority).

Assigned - Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned - The residual classification for the general fund. Includes all funds that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes. In addition, any deficit fund balance is reported as unassigned.

NOTE 11 FUND BALANCE AND NET POSITION (CONTINUED)

The District's policy on fund balance is for the District to: (1) strive to build and maintain a General Fund balance equivalent to at least 10%, but not greater than 35%, of the General Fund budget for the subsequent year and (2) strive to establish operating budgets that will add sufficient funds each year to attain those levels in the General Fund balance. In addition, the District shall strive to maintain a minimum fund balance in their self-funded dental insurance plan of 10% of premium costs. As such, the nonspendable portion of the general fund balance has been classified as assigned. The entire fund balance of the Community Service Fund has been assigned for use related to the District's natatorium.

The District will generally use restricted amounts before unrestricted amounts when doing so does not result in loss of general state aid.

The District's fund balance categories are presented in the Governmental Fund Balance Sheet.

Net position reported on the government-wide statement of net position at June 30, 2023 includes the following:

	Governmental Activities	Business-type Activities
Net Investment in Capital Assets:		
Land	$ 13,941,655	$ -
Other Capital Assets, Net of Accumulated Depreciation	199,144,509	392,226
	213,517,841	392,226
Less: Related Long-Term Debt Outstanding	(122,725,000)	-
Less: Unamortized Premium	(4,043,835)	-
Total Net Investment in Capital Assets	86,749,006	392,226
Restricted for:		
Scholarships	85,336	-
Student Organizations	291,398	-
Debt Service	2,285,642	-
Special Projects	1,247,192	-
Capital Expansion	2,736,626	-
Total Restricted	6,646,194	-
Unrestricted	21,284,308	1,982,203
Total Net Position	$ 114,679,508	$ 2,374,429

NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recognized by the District as a reservation of fund balance. As of June 30, 2023, there are no material encumbrances outstanding.

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 believe such disallowances, if any, would be immaterial.

NOTE 13 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and special revenue funds. The statutes do not require a limit at which expenditures may not legally exceed appropriations. Any appropriations lapse at year-end.

NOTE 14 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

This limitation does not apply to revenues needed for 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.

Under 2011 Wisconsin Act 32, the District adopted a resolution and was granted authority to increase its revenue limit by the amount spent on a project to implement energy efficiency measures or to purchase energy efficiency projects, including the payment of debt service on bond or notes issued to finance the project.

NOTE 15 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2023:

Fund	Excess Expenditures
General Fund:	
Instruction	$ 854,248
Support Service	774,322
Debt Service	252,771
Special Education Fund:	
Instruction	138,283
Support Service	318,648
Nonprogram	138,805

NOTE 16 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 17 SUBSEQUENT EVENTS

On November 20, 2023, the Board of Education approved the issuance of a $5 million taxable revolving line of credit at an interest not to exceed 8.5% with a floating rate of prime minus 0.75% adjusted monthly. The line of credit cannot have draws after June 30, 2024 and matures on November 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local Sources:				
Property Taxes	$ 56,977,166	$ 56,977,166	$ 56,977,166	$ -
Other Local Sources	360,149	360,149	432,190	72,041
Interdistrict Sources	1,864,733	1,864,733	1,992,078	127,345
State Sources	31,956,046	31,956,046	32,495,889	539,843
Federal Sources	3,083,107	3,083,107	3,932,235	849,128
Other Sources	341,841	341,841	4,571,928	4,230,087
Total Revenues	94,583,042	94,583,042	100,401,486	5,818,444
EXPENDITURES				
Instruction:				
Regular Curriculum	31,343,832	31,343,832	31,556,451	(212,619)
Vocational Curriculum	1,783,282	1,783,282	1,825,991	(42,709)
Co-Curricular Activities	594,932	594,932	1,001,055	(406,123)
Special Instruction	4,271,909	4,271,909	4,411,796	(139,887)
Physical Curriculum	1,859,911	1,859,911	1,912,821	(52,910)
Total Instruction	39,853,866	39,853,866	40,708,114	(854,248)
Support Services:				
Pupil Services	2,843,614	2,843,614	3,012,280	(168,666)
Instructional Staff Services	5,220,556	5,220,556	5,006,512	214,044
General Administration	2,960,896	2,960,896	3,015,364	(54,468)
School Administration	4,263,567	4,263,567	4,426,752	(163,185)
Business Services	3,398,906	3,398,906	3,190,805	208,101
Operations and Maintenance of Plant	7,522,131	7,522,131	8,176,358	(654,227)
Pupil Transportation	2,778,560	2,778,560	2,394,903	383,657
Central Services	596,620	596,620	628,975	(32,355)
Insurance	693,183	693,183	1,213,012	(519,829)
Other Support Services	508,603	508,603	495,997	12,606
Total Support Services	30,786,636	30,786,636	31,560,958	(774,322)
Nonprogram	1,829,026	1,829,026	1,759,779	69,247
Debt Service:				
Interest	76,229	76,229	329,000	(252,771)
Total Expenditures	72,545,757	72,545,757	74,357,851	(1,812,094)
EXCESS OF REVENUES OVER EXPENDITURES	22,037,285	22,037,285	26,043,635	4,006,350
OTHER FINANCING USES				
Transfer to Other Funds	(24,987,309)	(24,987,309)	(16,453,876)	8,533,433
NET CHANGE IN FUND BALANCE	(2,950,024)	(2,950,024)	9,589,759	12,539,783
Fund Balance - Beginning of Year	19,068,035	19,068,035	19,068,035	-
FUND BALANCE - END OF YEAR	$ 16,118,011	$ 16,118,011	$ 28,657,794	$ 12,539,783

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
State Sources	$ 3,380,159	$ 3,380,159	$ 3,737,125	$ 356,966
Federal Sources	1,093,059	1,093,059	1,330,947	237,888
Other Sources	-	-	46,000	46,000
Total Revenues	4,473,218	4,473,218	5,114,072	640,854
EXPENDITURES				
Instruction:				
Regular Curriculum	62,919	62,919	85,853	(22,934)
Special Instruction	9,030,717	9,030,717	9,146,066	(115,349)
Total Instruction	9,093,636	9,093,636	9,231,919	(138,283)
Support Services:				
Pupil Services	2,388,484	2,388,484	2,369,099	19,385
Instructional Staff Services	1,161,684	1,161,684	1,292,460	(130,776)
Operations and Maintenance of Plant	28,840	28,840	180	28,660
Pupil Transportation	563,116	563,116	760,468	(197,352)
Business Services	4,122	4,122	47,425	(43,303)
Other Support Services	4,738	4,738	-	4,738
Total Support Services	4,150,984	4,150,984	4,469,632	(318,648)
Nonprogram	121,275	121,275	260,080	(138,805)
Total Expenditures	13,365,895	13,365,895	13,961,631	(595,736)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(8,892,677)	(8,892,677)	(8,847,559)	45,118
OTHER FINANCING SOURCES				
Transfer from General Fund	8,892,677	8,892,677	8,847,559	(45,118)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN MEASUREMENT PERIODS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's Proportion of the Net Pension Liability (Asset)	0.25150271%	0.24970597%	0.24936066%	0.25007170%	0.25011012%	0.24958682%	0.24854244%	0.25320487%	0.25850422%
District's Proportionate Share of the Net Pension Liability (Asset)	$ (6,177,595)	$ 4,057,674	$ 2,055,327	$ (7,424,925)	$ 8,898,134	$ (8,047,818)	$ (15,516,849)	$ (20,608,778)	$ 13,694,787
District's Covered Payroll	$ 34,790,332	$ 35,396,734	$ 36,135,268	$ 37,185,567	$ 38,323,393	$ 39,829,301	$ 41,000,852	$ 44,725,996	$ 48,012,619
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	17.76%	11.46%	5.69%	19.97%	23.22%	20.21%	-37.85%	-46.08%	28.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	105.26%	95.72%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's Actuarially Determined Contributions	$ 2,435,430	$ 2,407,339	$ 2,388,444	$ 2,531,293	$ 2,568,454	$ 2,608,883	$ 2,885,164	$ 3,041,684	$ 3,433,772
District's Contributions in Relation to the Actuarially Determined Contributions	(2,435,430)	(2,407,339)	(2,388,444)	(2,531,293)	(2,568,454)	(2,608,883)	(2,885,164)	(3,041,684)	(3,433,772)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 34,790,332	$ 35,396,734	$ 36,135,268	$ 37,185,567	$ 38,323,393	$ 39,829,301	$ 42,743,171	$ 46,098,847	$ 47,112,283
District's Contributions as a Percentage of Covered Payroll	6.88%	6.80%	6.61%	6.81%	6.70%	6.55%	6.75%	6.60%	7.29%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2015	2016	2017	2018	2019	2020	2021	2022
District's Actuarially Determined Contributions	$ 1,412,208	$ 620,588	$ 645,412	$ 558,014	$ 632,284	$ 441,596	$ 432,634	$ 455,714
District's Contributions in Relation to the Actuarially Determined Contributions	14,308,236	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	(12,896,028)	620,588	645,412	558,014	632,284	441,596	432,634	455,714
District's Covered-Employee Payroll	21,339,399	21,030,020	17,667,496	20,401,347	27,229,528	27,229,528	13,327,916	13,327,916
District's Contributions as a Percentage of Covered-Employee Payroll	67.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2023
District's Actuarially Determined Contributions	$ 580,186
District's Contributions in Relation to the Actuarially Determined Contributions	-
Contribution Deficiency (Excess)	580,186
District's Covered-Employee Payroll	12,756,173
District's Contributions as a Percentage of Covered-Employee Payroll	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability									
Service Cost	$ 651,616	$ 620,588	$ 645,412	$ 465,148	$ 483,754	$ 337,432	$ 350,929	$ 278,699	$ 289,847
Interest on Total Pension Liability	503,901	502,764	486,577	477,735	481,836	440,066	415,005	423,512	388,317
Changes in Benefit Terms	-	-	-	-	(214,790)	-	-	-	-
Differences Between Expected and Actual Experience	554	-	78,574	-	71,851	-	1,116,313	-	1,604,547
Changes in Assumptions	-	-	129,069	-	(392,513)	-	-	-	1,129
Benefit Payments	(1,120,257)	(1,245,214)	(1,821,255)	(1,294,945)	(1,340,550)	(1,315,609)	(1,519,406)	(1,675,304)	(1,511,147)
Net Change in Total Pension Liability	35,814	(121,862)	(481,623)	(352,062)	(910,412)	(538,111)	362,841	(973,093)	772,693
Total Pension Liability - Beginning	13,152,165	13,187,979	13,066,117	12,584,494	12,232,432	11,322,020	10,783,909	11,146,750	10,173,657
Total Pension Liability - Ending	13,187,979	13,066,117	12,584,494	12,232,432	11,322,020	10,783,909	11,146,750	10,173,657	10,946,350
Plan Fiduciary Net Position									
Contributions - Employer	14,308,236	-	-	-	-	-	-	-	-
Net Investment Income (Loss)	-	1,284,962	(41,561)	17,695	1,116,792	1,195,956	201,591	(1,216,187)	203,048
Benefit Payments	(1,120,257)	(1,245,214)	(1,821,255)	(1,294,945)	(1,340,550)	(1,315,609)	(1,519,406)	(1,675,304)	(1,511,147)
Administrative Expenses	-	(36,234)	(28,299)	(24,472)	(20,705)	(20,741)	(17,419)	(33,493)	(16,387)
Net Change in Fiduciary Net Position	13,187,979	3,514	(1,891,115)	(1,301,722)	(244,463)	(140,394)	(1,335,234)	(2,924,984)	(1,324,486)
Plan Fiduciary Net Position - Beginning	-	13,187,979	13,191,493	11,300,378	9,998,656	9,754,193	9,613,799	8,278,565	5,353,581
Plan Fiduciary Net Position - Ending	13,187,979	13,191,493	11,300,378	9,998,656	9,754,193	9,613,799	8,278,565	5,353,581	4,029,095
Net Pension (Asset) Liability	$ -	$ (125,376)	$ 1,284,116	$ 2,233,776	$ 1,567,827	$ 1,170,110	$ 2,868,185	$ 4,820,076	$ 6,917,255
Plan Fiduciary Nnet Position as a Percentage of the Total Pension Liability	100.00%	100.96%	89.80%	81.74%	86.15%	89.15%	74.27%	52.62%	36.81%
Covered-Employee Payroll	$ 21,339,399	$ 21,030,020	$ 17,667,496	$ 20,401,347	$ 27,229,528	$ 27,229,528	$ 13,327,916	$ 13,327,916	$ 12,756,173
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	0.00%	-0.60%	7.27%	10.95%	5.76%	4.30%	21.52%	36.17%	54.23%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019	2020	2021	2022	2023
District's Actuarially Determined Contributions	$ 795,916	$ 929,473	$ 864,836	$ 698,434	$ 723,856	$ 668,235	$ 690,688
District Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	795,916	929,473	864,836	698,434	723,856	668,235	690,688
District's Covered-Employee Payroll	31,295,246	32,234,103	33,201,126	34,197,160	38,101,039	41,686,152	16,126,258
District's Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS ASSET AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	$ 795,916	$ 929,473	$ 864,836	$ 698,434	$ 723,856	$ 668,235	$ 690,688
Interest on Total OPEB Liability	807,791	720,954	710,352	499,018	466,475	379,356	362,072
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,154,478)	431,790	(3,300,138)	127,094	(2,200,998)	649,015	2,661,914
Changes in Assumptions	(545,607)	-	238,277	-	192,019	-	(427,863)
Benefit Payments	(2,699,778)	(2,148,242)	(1,681,396)	(2,145,507)	(1,635,187)	(2,292,169)	(2,015,401)
Net Change in Total OPEB Liability	(2,796,156)	(66,025)	(3,168,069)	(820,961)	(2,453,835)	(595,563)	1,271,410
Total OPEB Liability - Beginning	20,748,757	17,952,601	17,886,576	14,718,507	13,897,546	11,443,711	10,848,148
Total OPEB Liability - Ending	17,952,601	17,886,576	14,718,507	13,897,546	11,443,711	10,848,148	12,119,558
Plan Fiduciary Net Position							
Contributions - Employer	-	-	-	-	-	-	-
Net Investment Income (Loss)	(76,611)	31,394	1,985,409	2,126,146	358,122	(3,240,607)	(2,015,401)
Benefit Payments	(2,699,778)	(2,148,242)	(1,681,396)	(2,145,507)	(1,635,187)	(2,292,169)	(40,381)
Adjustment	-	-	-	-	(363,979)	-	-
Administrative Expenses	(50,526)	(45,382)	(36,808)	(36,872)	(30,966)	(59,543)	(29,134)
Net Change in Fiduciary Net Position	(2,826,915)	(2,162,230)	267,205	(56,233)	(1,672,010)	(5,592,319)	(2,084,916)
Plan Fiduciary Net Position - Beginning	25,198,361	22,371,446	20,209,216	20,476,421	20,420,188	18,748,178	13,155,859
Plan Fiduciary Net Position - Ending	22,371,446	20,209,216	20,476,421	20,420,188	18,748,178	13,155,859	11,070,943
Net OPEB (Asset) Liability	$ (4,418,845)	$ (2,322,640)	$ (5,757,914)	$ (6,522,642)	$ (7,304,467)	$ (2,307,711)	$ 1,048,615
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	124.61%	112.99%	139.12%	146.93%	163.83%	121.27%	91.35%
Covered-Employee Payroll	$ 20,482,131	$ 20,401,347	$ 33,201,126	$ 34,197,160	$ 38,101,039	$ 41,686,152	$ 16,126,258
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	-21.57%	-11.38%	-17.34%	-19.07%	-19.17%	-5.54%	6.50%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019	2020	2021	2022	2023
Annual Money-Weighted Rate of Return, Net of Investment Expense.	-0.08%	0.04%	2.44%	2.60%	0.46%	-5.08%	-4.16%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY
LAST TEN MEASUREMENT PERIODS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Schedules of Required Supplementary Information

Measurement Date: December 31,	2017	2018	2019	2020	2021	2022
District's Proportion of the Net LRLIF Liability (Asset)	0.43910900%	0.46553900%	0.45734700%	0.42701900%	0.39758300%	0.39307500%
District's Proportionate Share of the Net LRLIF Liability (Asset)	$ 1,321,095	$ 1,201,248	$ 1,947,473	$ 2,348,913	$ 2,349,862	$ 1,497,548
District's Covered-Employee Payroll	$ 18,465,790	$ 22,137,000	$ 20,832,000	$ 19,561,000	$ 19,842,000	$ 19,733,000
District's Proportionate Share of the Net LRLIF Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%	5.43%	9.35%	12.01%	11.84%	7.59%
Plan Fiduciary Net Position as a Percentage of the						

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: June 30,	2018	2019	2020	2021	2022	2023
District's Contractually Required Contribution to the	$ 8,969	$ 8,267	$ 8,515	$ 8,137	$ 8,137	$ 7,856
District's Contributions in Relation Contractually Required Contributions	(8,969)	(8,267)	(8,515)	(8,137)	(8,137)	(7,856)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 22,137,000	$ 20,832,000	$ 19,561,000	$ 19,842,000	$ 19,733,000	$ 19,800,000
District's Contributions as a Percentage of Covered-Employee Payroll	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%

See accompanying Notes to Required Supplementary Information.

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Retiree Medical

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

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

Local Retiree Life Insurance Fund

Changes of Benefit Terms

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

Changes of Assumptions

In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the 2018 Mortality Table.

NOTE 2 PENSION BENEFITS

Wisconsin Retirement System

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the 2018 Mortality Table.

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Supplemental Pension

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

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

NOTE 3 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The District's legally adopted budget and budgetary expenditure control is exercised at the one digit function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

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

Budget amounts in the financial statements include both the original adopted budget and the final budget.

Excess of Expenditures Over Budget

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for the general fund is shown in that schedule.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Special Revenue Fund	Capital Expansion Fund	Community Services Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 489,937	$ 2,736,626	$ 555,444	$ 3,782,007
Accounts Receivable	-	-	1,855	1,855
Due from Other Funds	1,190,639	312,216	551,822	2,054,677
Due from Employee Benefit Trust Fund	-	-	1,439	1,439
Total Assets	$ 1,680,576	$ 3,048,842	$ 1,110,560	$ 5,839,978
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 18,723	$ 300,016	$ -	$ 318,739
Accrued Salaries and Related Items	2,027	-	-	2,027
Due to Other Funds	35,900	12,200	-	48,100
Total Liabilities	56,650	312,216	-	368,866
FUND BALANCES				
Restricted for:				
Scholarships	85,336	-	-	85,336
Student Organizations	291,398	-	-	291,398
Capital Expansion	-	2,736,626	-	2,736,626
Special Projects	1,247,192	-	-	1,247,192
Assigned	-	-	1,110,560	1,110,560
Total Fund Balances	1,623,926	2,736,626	1,110,560	5,471,112
Total Liabilities and Fund Balances	$ 1,680,576	$ 3,048,842	$ 1,110,560	$ 5,839,978

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	Special Revenue Fund	Capital Expansion Fund	Community Services Fund	Nonmajor Governmental Funds
REVENUES				
Local Sources:				
Property Taxes	$ -	$ 2,001,000	$ 956,638	$ 2,957,638
Other Local Sources	1,419,154	-	450,142	1,869,296
State Sources	44,932	-	-	44,932
Other Sources	3,186	48,443	-	51,629
Total Revenues	1,467,272	2,049,443	1,406,780	4,923,495
EXPENDITURES				
Instruction:				
Regular Instruction	485,345	-	-	485,345
Vocational Instruction	21,911	-	-	21,911
Co-Curricular Activities	676,153	-	-	676,153
Physical Curriculum	500	-	-	500
Support Services:				
Pupil Services	299	-	-	299
Instructional Staff Services	3,480	-	-	3,480
General Administration	2,160	-	-	2,160
School Administration	1,457	-	272,831	274,288
Business Services	56,266	-	-	56,266
Operation and Maintenance of Plant	-	-	198,772	198,772
Pupil Transportation Services	21,877	-	-	21,877
Community Services	-	-	948,441	948,441
Other Support Services	5,934	-	-	5,934
Total Expenditures	1,275,382	-	1,420,044	2,695,426
NET CHANGE IN FUND BALANCES	191,890	2,049,443	(13,264)	2,228,069
Fund Balances - Beginning of Year	1,432,036	687,183	1,123,824	3,243,043
FUND BALANCES - END OF YEAR	$ 1,623,926	$ 2,736,626	$ 1,110,560	$ 5,471,112

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2023

Operating Activity	WUFAR Object Code	Cost
Employee Salaries	100	$ 10,986
Employee Benefits	200	2,372
		$ 13,358

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
ANALYSIS OF LOCAL LEVY
JUNE 30, 2023

	2021 Taxes Receivable July 1, 2022	Total 2022 Levy	Collections	2022 Taxes Receivable June 30, 2023
City of Fitchburg	$ 5,147,050	$ 19,148,238	$ (18,683,106)	$ 5,612,182
City of Verona	14,687,175	40,597,285	(40,115,925)	15,168,535
Town of Verona	1,333,642	4,767,396	(4,825,018)	1,276,020
City of Madison	413,157	2,569,685	(2,540,309)	442,533
Town of Springdale	353,898	1,448,776	(1,427,354)	375,320
Town of Montrose	104,730	398,229	(396,044)	106,915
Town of Middleton	57,444	221,061	(220,948)	57,557
Total	$ 22,097,096	$ 69,150,670	$ (68,208,704)	$ 23,039,062

OTHER INDEPENDENT AUDITORS' REPORT

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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
Verona Area School District
Verona, 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 Verona Area School District, Verona, Wisconsin (the District), as of and for the year ended June 30, 2023, 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 1, 2023.

Report on 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 1, 2023

FEDERAL AND STATE AWARDS

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

Board of Education
Verona Area School District
Verona, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Verona Area School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weakness or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The district's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 1, 2023

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Agency	Pass-through Identifying Number	(Accrued) Deferred Revenue July 1, 2022	Cash Received (Refunded)	Receivable June 30, 2023	Federal Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Child Nutrition Cluster								
School Breakfast Program	10.553	WI DPI	2022-135901-DPI-SB-546	$ -	$ 420,876	$ 21,464	$ 442,340	$ -
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	WI DPI	2022-135901-DPI-NSL-547	-	263,859	-	263,859	-
National School Lunch Program	10.555	WI DPI	2022-135901-DPI-NSL-547	-	1,069,943	35,434	1,105,377	-
National School Snack Program	10.555	WI DPI	2022-135901-DPI-SK_NSL-561	(1,046)	2,672	348	1,974	-
Total U.S. Department of Agriculture and Child Nutrition Cluster				(1,046)	1,757,350	57,246	1,813,550	-
U.S. DEPARTMENT OF EDUCATION								
ESEA Title I-A:								
ESEA Title I-A Basic Grant	84.010	WI DPI	2022-135901-DPI-TIA-141	(254,038)	757,250	-	503,212	-
Special Education Cluster (IDEA):								
IDEA Flow Through (EIS)	84.027A	WI DPI	2022-135901-DPI-FLOW-341	(929,691)	1,019,380	1,307,860	1,397,549	-
IDEA Preschool Entitlement	84.173A	WI DPI	2022-135901-DPI-PRESCH-347	(55,273)	55,273	30,458	30,458	-
Total Special Education Cluster (IDEA)				(984,964)	1,074,653	1,338,318	1,428,007	-
ESEA III-A English Language Acquisition Formula	84.365	WI DPI	2022-135901-DPI-TIIIA-391	(665)	665	113,544	113,544	-
ESEA Title II-A Teacher/Principal Training	84.367	WI DPI	2022-135901-DPI-TIIA-365	(50,073)	50,384	78,627	78,938	-
ESEA Title IV-A Student Support and Academic Enrichment	84.424	WI DPI	2022-135901-DPI-TIVA-381	(11,340)	11,340	29,662	29,662	-
Elementary and Secondary School Emergency Relief III	84.425D	WI DPI	2022-135901-DPI-ESSERFIII-165	(415,681)	2,254,047	-	1,838,366	-
Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth	84.425W	WI DPI	2024-135901-DPI-ARPHCYII-173	-	26,036	-	26,036	-
Carl Perkins Act Formula Allocation Grant	84.048	Oregon School District	2022-135901-DPI-CTE-400	(9,287)	22,539	20,824	34,076	-
Total U.S. Department of Education				(1,726,048)	4,196,914	1,580,975	4,051,841	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44203200	(17,829)	552,412	114,400	648,983	-
Total Expenditures of Federal Awards				**$ (1,744,923)**	**$ 6,506,676**	**$ 1,752,621**	**$ 6,514,374**	**$ -**

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Federal Sources	$ 7,076,732
Intermediate Sources	34,076
Less: Muni Service Payments	(511,625)
Get Kids Ahead Grant	(84,809)
Total Federal Awards	$ 6,514,374

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023

State Grantor/Pass through Grantor/ Program or Cluster Title	State Identifying Number	Pass-through Agency	Pass-through Identifying Number	(Accrued) Deferred Revenue July 1, 2022	Cash Received (Refunded)	Receivable June 30, 2023	Federal Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	LEA-100	$ -	$ 3,566,130	$ -	$ 3,566,130	$ -
State School Lunch Aid	255.102	Direct Program	LEA-107	-	25,967	-	25,967	-
Common School Fund Library Aid	255.103	Direct Program	LEA-104	-	316,448	-	316,448	-
Bilingual/Bicultural Aid	255.106	Direct Program	LEA-111	-	207,596	-	207,596	-
General Transportation Aid	255.107	Direct Program	LEA-102	-	186,768	-	186,768	-
General Equalization Aids	255.201	Direct Program	LEA-116	-	25,404,463	-	25,404,463	-
High Cost Special Education Aid	255.210	Direct Program	LEA-119	-	170,995	-	170,995	-
Aid for School Mental Health Programs	255.227	Direct Program	LEA-176	(154,945)	393,234	-	238,289	-
School Based Mental Health Services Grant	255.297	Direct Program	LEA-177	-	63,305	-	63,305	-
State School Breakfast Program	255.344	Direct Program	LEA-108	-	23,818	-	23,818	-
Student Achievement Guarantee in Education (SAGE)	255.504	Direct Program	LEA-160	-	966,409	-	966,409	-
Educator Effective Eval System Grants Public	255.940	Direct Program	LEA-154	(38,640)	77,280	-	38,640	-
Per Pupil Aid	255.945	Direct Program	LEA-113	-	4,158,910	-	4,158,910	-
Career and Technical Educ Incentive Grants	255.950	Direct Program	LEA-171	-	44,932	-	44,932	-
Assessments of Reading Readiness	255.956	Direct Program	LEA-166	-	21,302	-	21,302	-
Peer Review and Mentoring	255.301	Direct Program	LEA-141	-	25,000	-	25,000	-
Total Expenditures of State Awards				**$ (193,585)**	**$ 35,652,557**	**$ -**	**$ 35,458,972**	**$ -**

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

State Sources	$ 36,327,730
State Tax Computer Aid	(847,965)
Payment in Lieu of Taxes	(20,793)
Total Federal Awards	$ 35,458,972

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Mishicot School District are 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* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the District. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2022 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed.

NOTE 4 OVERSIGHT AGENCY

The federal and state oversight agencies for the District are as follows:

Federal – U.S. Department of Education
State – Wisconsin Department of Public Instruction

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified? _____ yes ___X___ none reported

3. Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes ___X___ no

   - Significant deficiency(ies) identified? ___X___ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___X___ yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.555	National School Lunch Program
10.555	National School Snack Program
84.425D	Elementary and Secondary Emergency Education Relief Fund
84.425W	Elementary and Secondary Emergency Education Relief Fund – Homeless Children and Youth

Dollar threshold used to distinguish between Type A and Type B programs:

Federal Awards $ 750,000
Auditee qualified as low-risk auditee? ___X___ yes _____ no

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

1. Internal control over major state programs:
   - Material weakness(es) identified? _____ yes ____X____ no
   - Significant deficiency(ies) identified? _____ yes ____X____ none reported
2. Type of auditors' report issued on compliance for major state programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? ____X____ yes _____ no

Identification of Major State Programs

State ID Number(s)	Name of State Program or Cluster
255.103	Common School Fund Library Aid
255.107	Pupil Transportation
255.201	Equalization Aids
255.945	Per Pupil Aid

Dollar threshold used to distinguish between Type A and Type B programs:

State Awards $ 250,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Governance Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal and State Programs

2023 – 001: Procurement, Suspension, and Debarment

Federal Agency: U.S. Department of Agriculture

Federal Program Name: Child Nutrition Cluster

Assistance Listing Number: 10.CNC

Pass-Through Agency: Wisconsin Department of Public Institution

Pass-Through Numbers: 2023-135901-SB-546; 2023-135901-NSL-547; 2023-135901-DPI-SK_NSL-561

Award Period: 07/01/2022 – 06/30/2023

Compliance Requirement Affected: Procurement and Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control Over Compliance and Other Matter

Criteria or Specific Requirement: 2 CFR 200.320 Methods of Procurement outlines various purchasing methods thresholds and requirements including, but not limited to, guidance with regards to when a non-federal entity is required to obtain rate quotations and sealed bids. Additionally, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Condition: The District did not have a procurement or suspension and debarment policy that met the requirements of the Uniform Guidance at the time the transactions took place.

Context: During our testing of procurement transactions of the program we noted that the District is not following federal procurement requirements, as it relates to conflict of interest. In addition, during our testing of suspension and debarment, we noted that the District is not following federal suspension and debarment requirements nor does the currently policy include procedures relating to suspension and debarment.

Cause: The District has not implemented procurement or suspension and debarment policies that meet the requirements of the Uniform Guidance.

Effect: Implementing and consistently following procurement policies that meet the requirements of Uniform Guidance are required and are designed to ensure fiscal responsibility, objective contractor performance and elimination of unfair completive advantage while spending federal funds. Additionally, not verifying that an entity is debarred or suspended could result in entering into covered transactions with debarred or suspended vendors.

Recommendation: We recommend the District review and update the procurement and suspension and debarment policies. We also recommend that the District ensure that approved policies that meet federal requirements are consistently followed.

Views of Responsible Officials and Planned Corrective Action: There is no disagreement with the finding. Management has reviewed and updated the procurement and suspension and debarment policy to be in compliance with Uniform Guidance.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section IV – Other Issues

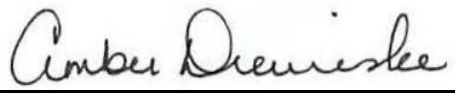
1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with *the State Single Audit Guidelines*:

Department of Health Services	No
Department of Public Instruction	Yes

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

4. Name and signature of partner

   Amber Drewieske, CPA

5. Date of report December 1, 2023



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