

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

SCHOOL DISTRICT OF ONALASKA  
ONALASKA, WISCONSIN

June 30, 2022

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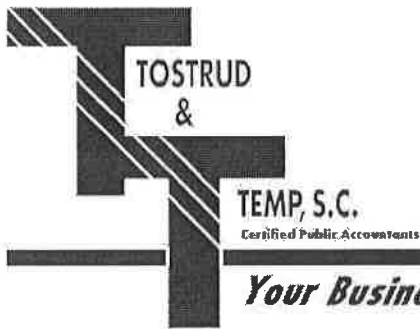
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## INDEPENDENT AUDITOR'S REPORT

Members of the School Board  
School District of Onalaska  
Onalaska, 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 School District of Onalaska ("District") as of and for the year ended June 30, 2022, 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 School District of Onalaska, as of June 30, 2022, 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 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 Auditor's 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.

## ***Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 management's discussion and analysis and budgetary comparison information as listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 October 31, 2022, 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.

A handwritten signature in cursive script, reading "Foster & Kemp, S.C.", written in dark ink.

October 31, 2022

## MANAGEMENT' S DISCUSSION AND ANALYSIS



**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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The discussion and analysis of the School District of Onalaska's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Local property taxes levies provide the largest source of revenue for the School District of Onalaska. This revenue was \$18,804,661 and \$18,016,434 for the 2021-22 and 2020-21 school years, respectively.

State equalization aid provides the second largest source of revenue for the School District of Onalaska. Total revenue from state equalization aid was \$14,912,487 and \$15,763,173 during the 2021-22 and 2020-21 school years, respectively.

The General Fund reported a year-end fund balance of \$9,456,000. This is an increase of \$1,495,709 from the previous year. Two major components of the fund balance increase are Restricted Fund Balance increases from grants and reduced Other Post Employment Benefit (OPEB) contributions due to an updated actuarial study.

The District received \$349,891 in unspent Coronavirus Funds that were paid from the State of Wisconsin upfront. It also received a \$46,602 upfront for a "Get Kids Ahead" grant from the State of Wisconsin. The District is planning to spend these funds in the 2022-23 school year.

The District budgeted OPEB expenses based on an existing study. The updated study completed during the 2021-22 school year dated July 1, 2022, resulted in a reduced Actuarial Determined Contribution (ADC) of \$556,637 impacting the General Fund.

**FINANCIAL STATEMENTS**

The financial statements consist of three parts: Management discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District of Onalaska. The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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**FINANCIAL STATEMENTS (continued)**

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how, in general, the District's services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short-term and long-term financial information about the activities that the District operates like a business. For the District, this is the Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further reports additional District operations not required to be part of the basic financial statements.

**OVERVIEW OF FINANCIAL STATEMENTS**

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively. Other factors, such as projected student enrollment, need to be considered when assessing the overall financial status of the District.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities – All of the District's basic services are included here, such as instruction, administration and community services. State Equalization aid and property taxes fund most of these activities. Additional funding is provided through state categorical aid, federal grants, and other sources.
- Business type activities – The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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**Fund Financial Statements**

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

- Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- Proprietary funds – These funds are used to account for the District's activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding is through user charges. When the District charges customers for services it provides – whether to outside customers or to other units in the District – these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows.
- Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds or the Other Post-Employment Benefits Trust. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

Table 1 summarizes the major features of the financial statements, including the portion of the program they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

<b>Table 1 Fund Financial Statements</b>				
	<b>Government- Wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District (except fiduciary funds)	The activity of the District that is not proprietary or fiduciary, such as instructional, support services, and community services.	Activities that the District operates similar to private business – Food Services.	Assets held by the District on behalf of someone else. Scholarships and other organizations that have funds on deposit with the District are reported here.
<b>Required financial statements</b>	Statement of Net Position, and Statement of Activities	Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.	Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.	Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.
<b>Basis of accounting and measurement focus</b>	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<b>Type of asset, deferred outflows of resources, liability, and deferred inflows of resources information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term.
<b>Type of inflow and outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received and paid.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Table 2 provides a comparative analysis of the District's net position between 2021 and 2022. At June 30, 2022, net position was \$36,889,510.

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. Current assets increased 11.1% during the year.

**Table 2**  
**Analysis of District Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School District</b>		
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>% Change</b>
Assets							
Current assets	\$ 13,983,775	\$ 15,087,999	\$ 282,736	\$ 760,262	\$ 14,266,511	\$ 15,848,261	11.1%
Noncurrent assets	50,080,119	51,624,204	503,397	571,720	50,583,516	52,195,924	3.2%
Total assets	<u>\$ 64,063,894</u>	<u>\$ 66,712,203</u>	<u>\$ 786,133</u>	<u>\$ 1,331,982</u>	<u>\$ 64,850,027</u>	<u>\$ 68,044,185</u>	4.9%
Deferred outflows of resources	\$ 14,482,280	\$ 20,140,615	\$ 404,803	\$ 663,575	\$ 14,887,083	\$ 20,804,190	39.7%
Liabilities							
Current liabilities	\$ 5,765,051	\$ 4,990,898	\$ 58,565	\$ 80,287	\$ 5,823,616	\$ 5,071,185	-12.9%
Long-term liabilities	24,470,967	22,280,458	57,901	48,658	24,528,868	22,329,116	-9.0%
Total liabilities	<u>\$ 30,236,018</u>	<u>\$ 27,271,356</u>	<u>\$ 116,466</u>	<u>\$ 128,945</u>	<u>\$ 30,352,484</u>	<u>\$ 27,400,301</u>	-9.7%
Deferred inflows of resources	\$ 17,374,456	\$ 23,657,128	\$ 641,870	\$ 901,436	\$ 18,016,326	\$ 24,558,564	36.3%
Net position							
Net investment in capital assets	\$ 23,881,497	\$ 24,686,639	\$ 137,368	\$ 117,795	\$ 24,018,865	\$ 24,804,434	3.3%
Restricted	\$ 4,834,282	\$ 7,564,006	\$ 295,232	\$ 847,381	\$ 5,129,514	\$ 8,411,387	64.0%
Unrestricted	\$ 2,219,921	\$ 3,673,689	\$ -	\$ -	\$ 2,219,921	\$ 3,673,689	65.5%
Total net position	<u>\$ 30,935,700</u>	<u>\$ 35,924,334</u>	<u>\$ 432,600</u>	<u>\$ 965,176</u>	<u>\$ 31,368,300</u>	<u>\$ 36,889,510</u>	17.6%

**SCHOOL DISTRICT OF ONALASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School District</b>		<b>% Change</b>
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 189,253	\$ 337,354	\$ 51,215	\$ 211,821	\$ 240,468	\$ 549,175	128.38%
Operating grants & contributions	3,791,641	4,749,109	1,282,965	1,877,238	5,074,606	6,626,347	30.58%
Capital grants & contributions	-	-	-	-	-	-	0.00%
<b>Total program revenues</b>	<b>3,980,894</b>	<b>5,086,463</b>	<b>1,334,180</b>	<b>2,089,059</b>	<b>5,315,074</b>	<b>7,175,522</b>	<b>35.00%</b>
General revenues							
Property taxes	18,016,434	18,804,661	-	-	18,016,434	18,804,661	4.38%
Grants and entitlements	22,136,211	21,922,831	-	-	22,136,211	21,922,831	-0.96%
Investment income	5,871	14,317	165	777	6,036	15,094	150.07%
Miscellaneous	48,727	73,082	-	-	48,727	73,082	49.98%
Transfer (to) from other funds	(33,120)	-	33,120	-	-	-	0.00%
<b>Total general revenues</b>	<b>40,174,123</b>	<b>40,814,891</b>	<b>33,285</b>	<b>777</b>	<b>40,207,408</b>	<b>40,815,668</b>	<b>1.51%</b>
<b>Total revenues</b>	<b>\$44,155,017</b>	<b>\$ 45,901,354</b>	<b>\$ 1,367,465</b>	<b>\$ 2,089,836</b>	<b>\$ 45,522,482</b>	<b>\$ 47,991,190</b>	<b>5.42%</b>
<b>Expenses</b>							
Instruction	\$22,104,075	\$ 22,978,916	-	-	\$ 22,104,075	\$ 22,978,916	3.96%
Support services	14,992,842	14,662,725	-	-	14,992,842	14,662,725	-2.20%
Non-program	2,767,391	3,271,079	-	-	2,767,391	3,271,079	18.20%
Business-type activity	-	-	1,299,049	1,557,260	1,299,049	1,557,260	19.88%
<b>Total expenses</b>	<b>39,864,308</b>	<b>40,912,720</b>	<b>1,299,049</b>	<b>1,557,260</b>	<b>41,163,357</b>	<b>42,469,980</b>	<b>3.17%</b>
<b>Change in net position</b>	<b>4,290,709</b>	<b>4,988,634</b>	<b>68,416</b>	<b>532,576</b>	<b>4,359,125</b>	<b>5,521,210</b>	
<b>Net position - beginning of year</b>	<b>26,644,991</b>	<b>30,935,700</b>	<b>364,184</b>	<b>432,600</b>	<b>27,009,175</b>	<b>31,368,300</b>	
<b>Net position - end of year</b>	<b>\$30,935,700</b>	<b>\$ 35,924,334</b>	<b>\$ 432,600</b>	<b>\$ 965,176</b>	<b>\$ 31,368,300</b>	<b>\$ 36,889,510</b>	

Table 3, Analysis of District Activities, provides a comparison of revenue and expenditures between 2021 and 2022. The net position for the District increased by \$5,521,210 during the fiscal year ended June 30, 2022. Major factors in the change include significant reduction in the proportional share of the Wisconsin Retirement System Net Pension Liability and a reduction in the District's OPEB liability.

### Financial Aspect of the District's Fund Balance

The District completed the year with a total governmental fund balance of \$11,290,990, which excludes the food service program. The District continued to maintain fund balance in the Referendum Debt Service fund for future debt payments. Administration assigned \$1,185,734 of Fund Balance for future purchases of HVAC system and building equipment.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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**General Fund Budget**

During the fiscal year, the Board of Education authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. A schedule comparing the District's original budget, final budget, and actual revenue and expense amounts is shown as Required Supplemental Information.

The District applies for federal, state and local grants which cannot always be anticipated in the budgeting process. Revenues and expenditures associated with such grants are incorporated into budget revisions after the grants have been accepted by the Board of Education.

The June 30, 2022, actual General Fund Balance varied favorably from the final budgeted amount by \$901,166. The biggest factor towards the favorable variance is underspending on the OPEB expense due to the decrease in the Actuarial Determined Contribution (ADC).

**Capital Assets**

As of June 30, 2022, the District had \$41,998,434 invested in capital assets net of depreciation, with \$41,880,639 attributed to governmental activities.

For more detailed information regarding the District's capital assets, refer to Note 5 in the Notes to Financial Statements.

**Debt Administration**

Obligations – Long-term general obligation debt outstanding from its bonds and notes payable decreased from \$18,545,000 to \$17,194,000. Currently general obligation debt payments are scheduled through 2035. The District's most recent Moody's bond rating was "Aa3."

Other obligations include a capital lease and accrued vacation pay and sick leave for specific employees of the District.

**Decisions/Factors That Will Impact the Future of the District**

- The State of Wisconsin has an open enrollment law that allows students to attend the School District of their choice with few restrictions. The State adjusts each District's general state aid payment based on the net number of students who transfer. The School District of Onalaska has actively encouraged attendance by non-resident students through open enrollment and strives to keep resident students by offering a varied and complete curriculum. Currently, the number of incoming non-resident open enrollment pupils attending the School District of Onalaska continues to exceed the number of outgoing resident pupils attending other districts.
- The District will continue to monitor enrollment trends. The most recently completed Enrollment Projection through the University of Wisconsin – Madison Applied Population Lab projected steady and then slightly decreasing enrollment. The District saw an enrollment decrease in 2020-21 following the pandemic. Subsequent enrollment through 2022-23 decreased slightly. Overall, the student headcount decreased by about 140 students between September 2019 and September 2021.

**SCHOOL DISTRICT OF ONALASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

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- The District has continually relied on operational referenda funding since 2006. Referenda were passed in 2006, 2011, 2014, and 2018 providing funds in excess of Wisconsin Revenue Limit for school each year from 2006 through 2024. The 2018 referendum will provide \$3.2 million in 2022-23 and \$3.35 million in 2023-24. Subsequent to 2021-22, district voters approved a referendum in November 2022 providing an additional \$1.25 million in 2023-24. This referendum will provide \$4.6 million in 2024-25 and increase by \$200,000 each year through 2027-28. District voters also approved a \$75 million capital project referendum in November 2022 to renovate and expand two buildings.
- The District and its taxpayers are easily impacted favorably or unfavorably by changes in state resources for K-12 education. The most recent state budget provides no revenue limit or per pupil aid increases.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board of Education's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Director of Finance and Business Services.

E-Mail: [ellke@onalaskaschools.com](mailto:ellke@onalaskaschools.com)

Phone: 608-781-9700

Mail: School District of Onalaska, 237 2<sup>nd</sup> Avenue South, Onalaska, WI 54650.



**BASIC FINANCIAL STATEMENTS**

School District of Onalaska  
**STATEMENT OF NET POSITION**  
June 30, 2022

	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments	\$ 8,732,070	\$ 723,795	\$ 9,455,865
Receivables	-		
Taxes	5,352,154	-	5,352,154
Accounts	4,908	-	4,908
Due from other governments	891,593	16,646	908,239
Prepaid expenses	107,274	-	107,274
Inventories	-	19,821	19,821
Total current assets	<u>15,087,999</u>	<u>760,262</u>	<u>15,848,261</u>
<b>Noncurrent assets</b>			
Capital assets	71,737,066	572,270	72,309,336
Less: accumulated depreciation	(29,856,427)	(454,475)	(30,310,902)
Total capital assets, net	<u>41,880,639</u>	<u>117,795</u>	<u>41,998,434</u>
Net pension asset - WRS	9,743,565	453,925	10,197,490
Total noncurrent assets	<u>51,624,204</u>	<u>571,720</u>	<u>52,195,924</u>
Total assets	<u>66,712,203</u>	<u>1,331,982</u>	<u>68,044,185</u>
<b>Deferred outflows of resources</b>			
Pension plan - WRS	18,612,552	651,428	19,263,980
Other post-employment benefits	1,528,063	12,147	1,540,210
	<u>20,140,615</u>	<u>663,575</u>	<u>20,804,190</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 86,852,818</u>	<u>\$ 1,995,557</u>	<u>\$ 88,848,375</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current portion of long-term obligations	\$ 1,095,000	\$ -	\$ 1,095,000
Accounts payable	195,792	3,693	199,485
Accrued liabilities	-		
Payroll, payroll taxes, insurance	3,508,203	24,945	3,533,148
Interest	98,889	-	98,889
Due to other funds	93,014	7,248	100,262
Unearned revenue	-	44,401	44,401
Total current liabilities	<u>4,990,898</u>	<u>80,287</u>	<u>5,071,185</u>
<b>Noncurrent liabilities</b>			
Noncurrent portion of long-term obligations	22,280,458	48,658	22,329,116
Total liabilities	<u>27,271,356</u>	<u>128,945</u>	<u>27,400,301</u>
<b>Deferred inflows of resources</b>			
Pension plan - WRS	23,122,081	897,066	24,019,147
Other post-employment benefits	535,047	4,370	539,417
	<u>23,657,128</u>	<u>901,436</u>	<u>24,558,564</u>
<b>Net position</b>			
Net investment in capital assets	24,686,639	117,795	24,804,434
Restricted			
Debt service	651,942	-	651,942
Other activities	6,912,064	847,381	7,759,445
Unrestricted	3,673,689	-	3,673,689
Total net position	<u>35,224,334</u>	<u>965,176</u>	<u>36,889,510</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 86,852,818</u>	<u>\$ 1,995,557</u>	<u>\$ 88,848,375</u>

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities</b>							
<b>Instruction</b>							
Regular instruction	\$ 15,253,421	\$ 57,839	\$ 546,807	\$ -	\$ (14,648,775)	\$ -	\$ (14,648,775)
Vocational instruction	840,055	3,269	17,615	-	(819,171)	-	(819,171)
Special education instruction	4,650,426	-	2,139,893	-	(2,510,533)	-	(2,510,533)
Other instruction	2,235,014	209,495	505,389	-	(1,520,130)	-	(1,520,130)
Total instruction	<u>22,978,916</u>	<u>270,603</u>	<u>3,209,704</u>	<u>-</u>	<u>(19,498,609)</u>	<u>-</u>	<u>(19,498,609)</u>
<b>Support services</b>							
Pupil services	1,793,784	-	485,254	-	(1,308,530)	-	(1,308,530)
Instructional staff services	2,584,885	-	629,472	-	(1,955,413)	-	(1,955,413)
General administration services	619,962	-	8,180	-	(611,782)	-	(611,782)
School administration services	1,642,409	-	248	-	(1,642,161)	-	(1,642,161)
Business administration services	6,126,960	66,751	189,743	-	(5,870,466)	-	(5,870,466)
Central services	270,384	-	4,543	-	(265,841)	-	(265,841)
Insurance	264,744	-	39,949	-	(224,795)	-	(224,795)
Other support services	840,762	-	13,480	-	(827,282)	-	(827,282)
Interest and fiscal agent fees	420,746	-	28,792	-	(391,954)	-	(391,954)
Loss on disposal of capital assets	98,089	-	-	-	(98,089)	-	(98,089)
Total support services	<u>14,662,725</u>	<u>66,751</u>	<u>1,399,661</u>	<u>-</u>	<u>(13,196,313)</u>	<u>-</u>	<u>(13,196,313)</u>
<b>Non-program</b>	<u>3,271,079</u>	<u>-</u>	<u>139,744</u>	<u>-</u>	<u>(3,131,335)</u>	<u>-</u>	<u>(3,131,335)</u>
Total governmental activities	40,912,720	337,354	4,749,109	-	(35,826,257)	-	(35,826,257)
<b>Business-type activities</b>							
School nutrition program	<u>1,557,260</u>	<u>211,821</u>	<u>1,877,238</u>	<u>-</u>	<u>-</u>	<u>531,799</u>	<u>531,799</u>
Total school district	<u>\$ 42,469,980</u>	<u>\$ 549,175</u>	<u>\$ 6,626,347</u>	<u>\$ -</u>	<u>(35,826,257)</u>	<u>531,799</u>	<u>(35,294,458)</u>
<b>General revenues</b>							
Property taxes							
General purposes					17,044,172	-	17,044,172
Debt services					1,760,489	-	1,760,489
State and federal aids not restricted to specific functions							
General					14,912,487	-	14,912,487
Other					7,010,344	-	7,010,344
Interest and investment earnings					14,317	777	15,094
Miscellaneous					73,082	-	73,082
Total general revenues					<u>40,814,891</u>	<u>777</u>	<u>40,815,668</u>
<b>Change in net position</b>					4,988,634	532,576	5,521,210
Net position at July 1, 2021					<u>30,935,700</u>	<u>432,600</u>	<u>31,368,300</u>
Net position at June 30, 2022					<u>\$ 35,924,334</u>	<u>\$ 965,176</u>	<u>\$ 36,889,510</u>

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 7,396,263	\$ 248,788	\$ 1,087,019	\$ -	\$ 8,732,070
Receivables					
Taxes	5,352,154	-	-	-	5,352,154
Accounts	4,908	-	-	-	4,908
Due from other funds	774,625	502,043	-	(502,043)	774,625
Due from other governments	891,593	-	-	-	891,593
Prepaid expenses	105,683	-	1,591	-	107,274
Total assets	<u>\$ 14,525,226</u>	<u>\$ 750,831</u>	<u>\$ 1,088,610</u>	<u>\$ (502,043)</u>	<u>\$ 15,862,624</u>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 191,341	\$ -	\$ 4,451	\$ -	\$ 195,792
Accrued liabilities					
Payroll, payroll taxes, insurance	3,508,203	-	-	-	3,508,203
Due to other funds	1,369,682	-	-	(502,043)	867,639
Total liabilities	<u>5,069,226</u>	<u>-</u>	<u>4,451</u>	<u>(502,043)</u>	<u>4,571,634</u>
<b>Fund balances</b>					
Nonspendable	105,683	-	-	-	105,683
Restricted	593,869	750,831	1,084,159	-	2,428,859
Unrestricted					
Assigned	1,185,734	-	-	-	1,185,734
Unassigned	7,570,714	-	-	-	7,570,714
Total fund balances	<u>9,456,000</u>	<u>750,831</u>	<u>1,084,159</u>	<u>-</u>	<u>11,290,990</u>
Total liabilities and fund balances	<u>\$ 14,525,226</u>	<u>\$ 750,831</u>	<u>\$ 1,088,610</u>	<u>\$ (502,043)</u>	<u>\$ 15,862,624</u>

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**RECONCILIATION OF THE BALANCE SHEET -**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
June 30, 2022

Fund balance - governmental funds	\$	11,290,990
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Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 71,737,066	
Governmental accumulated depreciation	(29,856,427)	41,880,639

Wisconsin Retirement System asset is not a current financial resource and is not reported in the financial statements.		9,743,565
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Deferred outflows of resources represent consumption of net position that apply to future periods and therefore are not reported in the fund statements.

Deferred outflows of resources consist of:

Pension plan - WRS	18,612,552	
Other post-employment benefits	1,528,063	20,140,615

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	(17,194,000)	
Capital lease	-	
Premium on bonded debt refinancing	(66,626)	
Accrued interest on general obligation debt	(98,889)	
Compensated absences	(230,072)	
Net OPEB liability	(5,884,760)	(23,474,347)

Deferred inflows of resources are acquisitions of net position that are applicable to future reporting periods and therefore are not reported in the fund statements.

Deferred inflows of resources consist of:

Pension plan - WRS	(23,122,081)	
Other post-employment benefits	(535,047)	(23,657,128)

<b>Total net position - governmental activities</b>	<b>\$</b>	<b>35,924,334</b>
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The accompanying notes are an integral part of this statement.

School District of Onalaska  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended June 30, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 17,044,172	\$ 1,760,489	\$ -	\$ 18,804,661
Other local sources	292,359	880	726,769	1,020,008
Interdistrict sources	4,290,030	-	-	4,290,030
Intermediate sources	15,913	-	-	15,913
State sources	19,285,157	-	-	19,285,157
Federal sources	2,348,319	-	-	2,348,319
Other sources	108,474	-	-	108,474
Total revenues	43,384,424	1,761,369	726,769	45,872,562
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular instruction	15,871,598	-	74,529	15,946,127
Vocational instruction	884,039	-	74	884,113
Special instruction	4,871,636	-	-	4,871,636
Other instruction	1,783,315	-	487,541	2,270,856
Total instruction	23,410,588	-	562,144	23,972,732
<b>Support services</b>				
Pupil services	1,875,095	-	-	1,875,095
Instructional staff services	2,638,509	-	36,132	2,674,641
General administration services	624,660	-	8,180	632,840
Building administration services	1,725,967	-	248	1,726,215
Business administration services	6,043,660	-	71,297	6,114,957
Central services	261,511	-	660	262,171
Insurance	264,744	-	-	264,744
Other support services	841,873	-	-	841,873
Total support services	14,276,019	-	116,517	14,392,536
<b>Non-program services</b>	3,239,054	-	32,025	3,271,079
<b>Debt service</b>	20,962	1,778,227	-	1,799,189
<b>Capital outlay</b>	889,807	-	-	889,807
Total expenditures	41,836,430	1,778,227	710,686	44,325,343
Excess (deficiency) of revenues over expenditures	1,547,994	(16,858)	16,083	1,547,219
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	47,715	-	-	47,715
Transfer from (to) to other funds	(100,000)	-	100,000	-
	(52,285)	-	100,000	47,715
<b>Net change in fund balances</b>	1,495,709	(16,858)	116,083	1,594,934
Fund balances at July 1, 2021	7,960,291	767,689	968,076	9,696,056
Fund balances at June 30, 2022	\$ 9,456,000	\$ 750,831	\$ 1,084,159	\$ 11,290,990

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 Year ended June 30, 2022

**Net change in fund balances - total governmental funds** \$ 1,594,934

Amounts reported for governmental fund statements and the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures; gain or loss on disposals is not reported. However, for governmental activities, capital asset costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses; gain or loss on disposals is reported as such in the statement of activities.

Capital outlay reported in governmental fund statements	\$ 889,807	
Depreciation expense reported in the statement of activities	(1,309,422)	
Proceeds from sale of capital assets	(47,715)	
Loss on sale of capital asset	<u>(98,089)</u>	
		(565,419)

Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Special termination benefits paid in current year	36,686	
Special termination benefits earned in current year	<u>(101,880)</u>	
		(65,194)

Proceeds from current year debt issues are reported as revenue in the governmental funds, but are reported as long-term debt in the statement of net position and does not affect the statement of activities.

The amount of proceeds from new debt issues in the current year is:

Premiums on current year debt issues are reported as revenue in the governmental funds, but are amortized over the life of the bond on the statement of activities and the remaining premium is recorded as a liability on the statement of net position.

Current year amortization of bond premium	<u>28,792</u>	28,792
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The accompanying notes are an integral part of this statement.

School District of Onalaska  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - CONTINUED**  
 Year ended June 30, 2022

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

The amount of long-term debt principal payments in the current year is:	1,370,561
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Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the pension liability (asset) from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan	1,412,070	
Actuarially determined change in net pension liability (asset) between years, with adjustments	825,902	2,237,972

Other post-employment benefits (OPEB) expense reported in the governmental funds represents current year required contributions into the OPEB plan. OPEB expense in the Statement of Activities is actuarially determined by the OPEB as the difference between the net OPEB liability from the prior year to the current year, with some adjustments.

Amount of current year contributions into the OPEB plan	624,057	
Actuarially determined change in net OPEB liability between years, with adjustments	(244,951)	379,106

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

The amount of interest paid during the current year	427,803	
The amount of interest accrued during the current year	(419,921)	7,882

<b>Change in net position - governmental activities</b>	\$ 4,988,634
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The accompanying notes are an integral part of this statement.



School District of Onalaska  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - SCHOOL NUTRITION FUND**  
June 30, 2022

**Assets**

**Current assets**

Cash and investments	\$ 723,795
Due from other funds	2,004
Due from other governments	16,646
Food inventories	<u>19,821</u>
Total current assets	762,266

**Non-current assets**

Capital assets	572,270
Less accumulated depreciation	<u>454,475</u>
Total net capital assets	117,795
Net pension asset - WRS	<u>453,925</u>
Total non-current assets	<u>571,720</u>
Total assets	1,333,986

**Deferred outflows of resources**

Pension plan - WRS	651,428
Other post-employment benefits	<u>12,147</u>
	<u>663,575</u>
Total assets and deferred outflows of resources	<u>\$ 1,997,561</u>

**Liabilities**

**Current liabilities**

Accounts payable	\$ 3,693
Accrued payroll, payroll taxes and insurance	24,945
Due to other funds	9,252
Unearned revenue - student lunch accounts	42,178
Unearned revenue - other	<u>2,223</u>
Total current liabilities	82,291

**Non-current liabilities**

Net other post employment benefits	<u>48,658</u>
Total liabilities	130,949

**Deferred inflows of resources**

Pension plan - WRS	897,066
Other post-employment benefits	<u>4,370</u>
	901,436

**Net position**

Invested in capital assets	117,795
Restricted for school nutrition	<u>847,381</u>
Total net position	<u>965,176</u>

**Total liabilities, deferred inflows of  
resources and net position**

\$ 1,997,561

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND - SCHOOL NUTRITION FUND**  
Year ended June 30, 2022

**Revenues**

Food sales	\$ 211,821
State sources	5,154
Federal sources	1,753,989
Federal commodities	<u>118,095</u>
 Total revenues	 2,089,059

**Operating expenses**

Salaries and wages	579,994
Employer paid benefits	69,573
Purchased services	30,931
Supplies, food and materials	848,954
Other	8,235
Depreciation	<u>19,573</u>
 Total operating expenses	 <u>1,557,260</u>

<b>Operating income</b>	531,799
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**Non-operating revenue**

Interest income	<u>777</u>
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<b>Change in net position</b>	532,576
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Net position at beginning of year	<u>432,600</u>
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Net position at end of year	<u><u>\$ 965,176</u></u>
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The accompanying notes are an integral part of this statement.

School District of Onalaska  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - SCHOOL NUTRITION FUND**  
Year ended June 30, 2022

**Increase in Cash and Cash Equivalents**

**Cash flows from operating activities**

Cash received from user charges	\$ 193,919
Cash received from other government payments	1,791,515
Cash payments to employees for services	(709,940)
Cash payments for utilities and other purchased services	(30,931)
Cash payments to suppliers for goods and services	(727,979)
Cash payments for other operating expenses	(8,235)
Net used in operating activities	<u>508,349</u>

**Cash flows from investing activities**

Interest on investments	<u>777</u>
Net cash provided by investing activities	<u>777</u>

**Net increase in cash and cash equivalents** 509,126

Cash and cash equivalents at beginning of year 214,669

Cash and cash equivalents at end of year \$ 723,795

**Reconciliation of Operating Income to Net  
Cash Used in Operating Activities**

Operating income	\$ 531,799
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	19,573
Pension expense	(93,249)
Other post employment benefits expense	(3,096)
Changes in net assets and liabilities	
(Increase) in due from other funds	31,116
Decrease in due from other governments	32,372
Decrease in food inventory	(772)
(Decrease) in accounts payable	3,652
Increase in accrued liabilities	(4,396)
(Decrease) in due to other funds	9,252
(Decrease) in unearned revenue	(17,902)
	<u>(23,450)</u>
Net cash used in operating activities	<u><u>\$ 508,349</u></u>

**Noncash Noncapital Financing Activities**

During the year the District received commodities from the U.S. Department of Agriculture in the amount of: \$ 118,095

The accompanying notes are an integral part of this statement.

School District of Onalaska  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2022

	Scholarship Funds	Employee Benefit Trust	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 2,396,232	\$ 2,396,232
Restricted cash and investments			
Beneficial interest in perpetual trust	515,704	-	515,704
Due from other funds	-	876,891	876,891
	<u>515,704</u>	<u>876,891</u>	<u>1,392,595</u>
Total assets	\$ <u>515,704</u>	\$ <u>3,273,123</u>	\$ <u>3,788,827</u>
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 776,629	\$ 776,629
<b>Net position</b>			
Restricted for scholarships - nonspendable	515,704	-	515,704
Restricted for employee benefits	-	2,496,494	2,496,494
	<u>515,704</u>	<u>2,496,494</u>	<u>3,012,198</u>
Total net position	<u>515,704</u>	<u>2,496,494</u>	<u>3,012,198</u>
Total liabilities and fund balance	\$ <u>515,704</u>	\$ <u>3,273,123</u>	\$ <u>3,788,827</u>

**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
Year ended June 30, 2022

<b>Additions</b>			
Interest income	\$ -	\$ 36,700	\$ 36,700
Employee trust fund contribution	-	876,891	876,891
	<u>-</u>	<u>913,591</u>	<u>913,591</u>
<b>Deductions</b>			
Change in perpetual trust	113,733	-	113,733
Employee benefits	-	776,629	776,629
	<u>113,733</u>	<u>776,629</u>	<u>890,362</u>
<b>Net change in assets</b>	(113,733)	136,962	23,229
Net position at beginning of year	<u>629,437</u>	<u>2,359,532</u>	<u>2,988,969</u>
Net position at end of year	\$ <u>515,704</u>	\$ <u>2,496,494</u>	\$ <u>3,012,198</u>

The accompanying notes are an integral part of these statements.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Introduction**

The School District of Onalaska (the "District") is organized as a unified school district. The District, governed by a seven-member elected school board, operates grades kindergarten through 12 and is comprised of all or part of five taxing districts.

The financial statements of the School District of Onalaska 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.

**B. Component Units**

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

**C. Basis of Presentation**

**District-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. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Basis of Presentation - Continued**

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 and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The District reports the following major governmental funds:

**General fund** - This is the District's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund.

**Debt service fund** - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The District operates one enterprise fund, the **school nutrition fund**. This fund accounts for the activities of the District's school nutrition programs, generally the school breakfast and hot lunch programs.

The District accounts for assets held as an agent for a beneficiary interest in a scholarship fund and for an employee benefit trust fund for employee retirement benefits in **fiduciary funds**.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**D. Measurement Focus and Basis of Accounting**

The District-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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.

**E. Cash and Investments**

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

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**E. Cash and Investments - Continued**

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 pooled-investment fund.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with laws applicable to trust investments.

All investments are stated at fair market value. Determination of fair value for investment in the state treasurer's investment pool is based on information provided by the State of Wisconsin Investment Board.

**F. Receivables and Payables**

The aggregate District tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of February, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Any amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**G. Inventory**

The District's school nutrition inventory is valued at the lower of cost or market on a first-in, first-out basis.



School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**H. Other Assets**

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as 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. Prepaid supplies are valued at cost.

**I. Capital Assets**

Capital assets with a cost of \$5,000 or greater and a life greater than one year are capitalized as capital assets and depreciated. These assets are reported at actual cost where possible; otherwise estimated cost was used based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at acquisition value on the date received.

Capital assets are depreciated over their useful lives by the straight-line method. Estimated useful lives are as follows:

Site improvements	20-25 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years

**J. Retirement Plans**

District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when earned.

**K. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has two items related to its pension plan and other post-employment benefit plan that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents a consumption of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting in this category, one related to its pension plan and one related to its other post-employment benefit plan.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

Vacation Pay

Administrators, superintendent, administrative assistants, custodians, and mid-level managers and data services can carry over a maximum of five days upon approval from their Administrator. Carry-over days must be used by December 31 of the following year.

In addition, for Administrators, the Board will pay per diem salary for up to ten (10) days of unused vacation, based upon the administrator's inability, because of job responsibilities, to use the vacation time.

<u>Sick and Other Leave</u> <u>Classification</u>	<u>Number of Days</u>	
	<u>Incentive Days</u>	
	<u>Annually</u>	<u>Cumulative</u>
Administrators	12	110
Administrative assistants, mid-Level managers/data services and custodians	12	110
Teachers, school nutrition, Interpreters, paraprofessionals and school year administrative assistants	10	110

Incentive Leave

	<u>Unused sick days required</u>	<u>Number of Days</u>	
		<u>Incentive Days</u>	
		<u>Annually</u>	<u>Cumulative</u>
Administrative, teachers, support groups	60	1	N/A
Administrative, teachers, support groups	110	2	N/A

If an employee in any of the above groups has the minimum number of accumulated sick leave listed above, they earn additional incentive leave as listed in the table above.

Personal Leave

Administrators shall be granted one (1) personal day per year.

Teachers and support groups receive one personal day per year during his/her first five years of employment and 2 days per year after five full years of employment. On June 30 of each year, unused personal days will be converted into leave days and added to the accumulated leave balance.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts - Continued**

Vesting

Upon retirement, the following employee groups who have 16 years (15 years for administrators and mid-level managers/data services) of continuous service in the District and are 55 years of age, receive .15% of their last working contract rate for each cumulative leave day. The .15% is based on the individual contracts for teachers, administrators and mid-level managers/data services employees; and is a "working base rate" for administrative assistants, paraprofessionals, custodians and school nutrition.

	<u>Maximum Number of Days Vested</u>
Administrators, mid-level managers/data services, teachers, administrative assistants, school nutrition, paraprofessionals, and custodians	110

For administrators hired prior to July 1, 2007

See footnote 8 for Other Post Employment Benefit (OPEB) details.

For administrators hired on or after July 1, 2007

The District will deposit \$2,000 per year into an investment account for a period not to exceed 20 years. This is in lieu of any post-retirement health and dental benefits. The post-retirement benefit would be converted into an annual contribution to a tax-sheltered-annuity (TSA, 403(b)), fully vested after five years. If the administrator leaves district employment before reaching 5 years experience, the accumulated funds are forfeited and remain the property of the district. This system eliminates the unfunded liability of the current benefit structure.

For teachers hired prior to July 1, 2007

See footnote 8 for Other Post Employment Benefit (OPEB) details.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts - Continued**

For teachers hired on or after July 1, 2007

For teachers hired for the 2007-08 school year and thereafter, the District will deposit \$1,200 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. If the teacher leaves district employment before reaching 5 years experience, the accumulated funds are forfeited and remain the property of the District. This is in lieu of any post-retirement health and dental benefits.

Insurance for custodians

See footnote 8 for Other Post Employment Benefit (OPEB) details.

Insurance for school nutrition

See footnote 8 for Other Post Employment Benefit (OPEB) details.

Insurance - administrative assistants and paraprofessionals

See footnote 8 for Other Post Employment Benefit (OPEB) details.

Insurance - Mid-Level Managers/Data Services hired prior to July 1, 2009

See footnote 8 for Other Post Employment Benefit (OPEB) details.

For Mid-Level Managers/Data Services hired on or after July 1, 2009

For mid-level managers/data services employees hired after July 1, 2009, the District will deposit \$1,200 per year into an investment account during the term of the employee's employment with the District for a period not to exceed 25 years. If the mid-level manager/data services employee leaves district employment before reaching 5 years of experience, the accumulated funds are forfeited and remain the property of the District. This is in lieu of any post-retirement health and dental benefits.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**M. Net Position Classifications**

The District classifies its net position as follows:

- a. Net investment in capital assets represents the net depreciated value of capital assets less any remaining debt owed that was incurred to finance the acquisition of such assets.
- b. Restricted net position indicates that portion of net position that has been legally segregated for specific purposes.
- c. Unrestricted net position indicates that portion of net position for which the District has no legal financial obligation.

**N. Fund Balance Classifications**

The District classifies its fund balance as follows:

- a. Unrestricted, unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.
- b. Unrestricted, assigned fund balances include amounts that can be spent only for specific purposes stipulated by representatives designated by the Board.
- c. Unrestricted, committed fund balances include amounts that can be spent only for specific purposes approved by the Board.
- d. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).

Fund balance classifications for restricted amounts are considered to have been spent when an eligible expenditure is incurred. Fund balance classifications for all categories of unrestricted amounts are considered to have been spent in the following order, per District policy: committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

**O. Estimates**

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

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and the District-wide statements, certain financial transactions are treated differently under each method. The basic financial statements contain a full reconciliation of these items.

1. Long-term revenue differences arising from governmental funds which report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. Expenses reported for vested employee benefits recognize the differences in the two accounting methods.
2. Capital asset related differences that represent the difference between recording expenditures for the purchase of capital items in the governmental fund statements versus increasing non-current assets on the statement of net position and recording depreciation expense on all capital items in the statement of activities.
3. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease, as applicable, in the statement of net position, and interest expense is recorded in the statement of activities as incurred.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

**Statement of net position**

Governmental Activities	\$ 8,732,070
Business-Type Activities	723,795
	<u>9,455,865</u>
Fiduciary Funds	2,396,232
	<u>\$ 11,852,097</u>

Cash and investments as of June 30, 2022 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 231,788	\$ 232,098
Money market and savings accounts	1,384,966	2,478,010
Certificates of deposit	37,649	37,649
	<u>1,654,403</u>	<u>\$ 2,747,757</u>
Registered group variable contract -		
AUL fixed interest account	2,396,232	
Local government investment pool	7,801,055	
Petty cash	<u>407</u>	
Total	<u>\$11,852,097</u>	

**Investment Pool Information**

Participation in the State of Wisconsin Local Government Investment Pool (LGIP) is voluntary. The LGIP is part of the State of Wisconsin Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board (SWIB). The LGIP is not registered with the Securities and Exchange Commission, but operated under the statutory authority of Wisconsin state statutes. The LGIP does not have a credit quality rating. Funds invested in the LGIP are due to the District on demand. The District has relied on data provided by the LGIP for the valuation of pooled investments. At June 30, 2022, the LGIP's fair value was 100 percent of book value.

The SWIB may invest in obligations of the U.S. Treasury and its agencies, commercial paper, bank time deposits/certificates of deposit, bankers' acceptances, and asset backed securities and repurchase agreements secured by the U.S. Government or its agencies and other instruments authorized under the State Investment Fund investment guidelines.

**Investments Authorized by the District's Investment Policy**

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). The District's investment policy is to invest in authorized funds that maximize the returns on the District's cash balances consistent with the safety of those monies and with the desired liquidity of the investments.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS - CONTINUED**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the weighted average maturity of the investments in certificates of deposit is 7.28 months.

Maturities for investments are as follows:

Fair Value	Remaining Maturity (in Years)			
	0-1	1-5	6-10	More Than 10
Registered group variable contract - AUL fixed interest account	\$ 2,396,232	\$ 2,396,232	\$ -	\$ -
Local government investment pool	7,801,055	7,801,055	-	-
Total	\$ <u>10,197,287</u>	\$ <u>10,197,287</u>	\$ <u>-</u>	\$ <u>-</u>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District holds a registered group variable annuity contract from American United Life Insurance Company (AUL). This account is not FDIC insured. Principal and interest rate guarantees are subject to the claims paying ability of the insurance company. AUL's financial strength rating by A.M. Best is A+ (superior) based on ratings as of June 30, 2022.

**Concentration of Credit Risk**

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The District does not have an investment policy regarding concentration of credit risk.



School District of Onalaska  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS - CONTINUED**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The District does not have an investment policy that would limit the exposure to custodial credit risk for deposits. The District has securities pledged in its name to cover deposits exceeding the \$250,000 federal depository insurance limits. The Wisconsin State Deposit Guarantee Fund provides additional coverage for uninsured and uncollateralized cash and investments for up to \$400,000 per institution, but collection is not certain due to the limited size of the fund.

The District has deposits with financial institutions that exceeded federal depository insurance limits by \$44,738 that were held in collateralized accounts. There may have been uninsured amounts during the year that were not collateralized or covered by the Wisconsin State Deposit Guarantee Fund.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Investments held at market at June 30, 2022 are as follows:

	Cost at June 30, 2022	Fair value at June 30, 2022
Registered group variable contract - AUL fixed interest account	\$ 2,649,820	\$ 2,396,232
Local government investment pool	7,801,055	7,801,055
Total	\$ <u>10,450,875</u>	\$ <u>10,197,287</u>

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS - CONTINUED**

**Fair Value Measurements**

The District uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Assets measured at fair value as of June 30, 2022 are:

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserv- able Inputs (Level 3)
	Fair Value			
Registered group variable contract - AUL fixed interest account	\$ 2,396,232	\$ 2,396,232	\$ -	\$ -
Local government investment pool	7,801,055	6,537,675	-	-
Total	\$ <u>10,197,287</u>	\$ <u>8,933,907</u>	\$ <u>-</u>	\$ <u>-</u>

**NOTE 4 - SHORT-TERM NOTES PAYABLE**

The District has a line of credit with a local bank with a credit limit of \$4,000,000, issued November 1, 2021 and expiring November 1, 2022. The interest rate is 4.75%. The District had a zero balance on their line of credit as of June 30, 2022. The District uses its line of credit as needed during the fiscal year to meet cash flow requirements.

Total interest expense on short-term notes for the year totaled \$825, including paying fiscal agent fees of \$0.

	Balances at July 1, 2021	Additions	Reductions	Balances at June 30, 2022
Line of credit \$	-	\$ 1,337,616	\$ 1,337,616	\$ -

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 5 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balances at June 30, 2021	Additions and Adjustments	Deletions and Adjustments	Balances at June 30, 2022
<b>Governmental Activities</b>				
Non-depreciable				
Land	\$ 2,340,608	\$ -	\$ -	\$ 2,340,608
Construction in process	99,771	-	99,771	-
Total non-depreciable	2,440,379	-	99,771	2,340,608
Site improvements	2,254,546		-	2,254,546
Buildings and building improvements	63,086,494	488,120	33,935	63,540,679
Furniture and equipment	3,307,317	501,458	207,542	3,601,233
Totals	71,088,736	989,578	341,248	71,737,066
Less accumulated depreciation				
Site improvements	1,243,199	39,103	-	1,282,302
Buildings and building improvements	24,625,797	1,052,188	-	25,677,985
Furniture and equipment	2,773,682	218,131	95,673	2,896,140
Totals	28,642,678	1,309,422	95,673	29,856,427
Governmental activities capital assets, net of accumulated depreciation	\$ 42,446,058	\$ (319,844)	\$ 245,575	\$ 41,880,639
<b>Business-Type Activities</b>				
Furniture and equipment	\$ 572,270	\$ -	\$ -	\$ 572,270
Less accumulated depreciation	434,902	19,573	-	454,475
Business-type activities capital assets, net of accumulated depreciation	\$ 137,368	\$ (19,573)	\$ -	\$ 117,795

Depreciation expense was allocated to governmental activities based on functional expense totals as they relate to total functional expenses in the following categories:

Regular instruction	\$ 548,030
Vocational instruction	30,385
Special education instruction	167,426
Other instruction	78,044
Pupil services	64,442
Instructional staff services	91,921
General administration services	21,749
Building administration services	59,326
Business administration services	210,156
Central services	9,010
Other support services	28,933
	\$ 1,309,422

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 6 - LONG-TERM OBLIGATIONS**

Long-term obligation balances and activity for the year ended June 30, 2022 are as follows:

	Balances at July 1, 2021	Additions	Reductions	Balances at June 30, 2022
<b>Governmental Activities</b>				
General obligation bonds \$	18,545,000	\$ -	\$ 1,351,000	\$ 17,194,000
Lease payable	19,561	-	19,561	-
Vested sick leave	164,878	101,880	36,686	230,072
Post retirement health care and other benefits	7,016,671	633,070	1,764,981	5,884,760
Unamortized bond premium	95,418	-	28,792	66,626
	<u>25,841,528</u>	<u>734,950</u>	<u>3,201,020</u>	<u>23,375,458</u>
Total governmental activity long-term obligations				
	25,841,528	734,950	3,201,020	23,375,458
<b>Business-Type Activities</b>				
Post retirement health care and other benefits	57,901	5,170	14,413	48,658
	<u>57,901</u>	<u>5,170</u>	<u>14,413</u>	<u>48,658</u>
Total long-term obligations	\$ <u>25,899,429</u>	\$ <u>740,120</u>	\$ <u>3,215,433</u>	\$ <u>23,424,116</u>

The current portion (due within one year) of the long-term obligations at June 30, 2022 consists of:

General obligation bonds	\$ <u>1,095,000</u>
Total current portion of long-term obligations	\$ <u>1,095,000</u>

Payments on bonds and notes are made from the Debt Service Fund. Vested employee benefits reported as due within one year have been estimated by the District. The benefits will be paid by several of the governmental funds.

Total interest paid and accrued for the year ended June 30, 2022 including \$1,975 of fiscal agent fees is as follows:

	Expense	Paid
Short-term borrowing \$	825	\$ 825
Long-term obligations	419,921	427,803
Totals	\$ <u>420,746</u>	\$ <u>428,628</u>

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 6 - LONG-TERM OBLIGATIONS - CONTINUED**

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2022 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates (%)	Dates of Maturity	Balance at June 30, 2022	Current Maturities
Bonds payable					
	1/30/13	2.00-2.50%	4/1/26	\$ 2,700,000	\$ 660,000
	4/1/15	2.00-3.50%	4/1/35	435,000	435,000
	3/22/21	2.3%	4/1/35	14,059,000	-
Total general obligation debt				<u>\$ 17,194,000</u>	<u>\$ 1,095,000</u>

The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,375,249,046. The legal debt limit and margin of indebtedness as of June 30, 2022 in accordance with Wisconsin state statutes follows:

Debt limit (10% of \$2,375,249,046)	\$ 237,524,905
Deduct long-term debt applicable to debt margin	<u>17,194,000</u>
Margin of indebtedness	<u>\$ 220,330,905</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest on bonds and notes at June 30, 2022 follows:

Year ended June 30	Principal	Interest	Total
2023	\$ 1,095,000	\$ 491,282	\$ 1,586,282
2024	1,264,000	352,623	1,616,623
2025	1,224,000	277,613	1,501,613
2026	1,250,000	252,412	1,502,412
2027	1,276,000	224,970	1,500,970
2028-2032	6,738,000	767,931	7,505,931
2032-2035	<u>4,347,000</u>	<u>159,178</u>	<u>4,506,178</u>
	<u>\$ 17,194,000</u>	<u>\$ 2,526,009</u>	<u>\$ 19,720,009</u>

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN**

***Summary of Significant Accounting Policies***

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

***General Information about the Pension Plan***

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,418,202 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including teachers)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At June 30, 2022, the District reported a liability (asset) of \$(10,197,490) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.12651684%, which was a decrease of 0.00162527% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(887,406).



School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

At June 30, 2022, 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	\$ 16,473,531	\$ 1,187,920
Changes in assumptions	1,902,502	-
Net differences between projected and actual earnings on pension plan investments	-	22,812,634
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,201	18,593
Employer contributions subsequent to the measurement date	876,746	-
<b>Total</b>	<b>\$19,263,980</b>	<b>\$ 24,019,147</b>

\$876,746 reported as deferred outflows related to pensions resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	\$ ( 477,747)
2024	\$ (2,770,118)
2025	\$ (1,218,902)
2026	\$ (1,165,146)

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
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:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

\* No post-retirement 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 post-retirement 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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

**Asset Allocation Targets and Expected Returns\***

**As of December 31, 2020**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % **
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ***	115	6.6	4.0
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

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

\*\*\* The investment policy used for Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**Single Discount rate.** A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the 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 1.84% (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, 2021. 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 6.8% 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.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 7 - EMPLOYEE RETIREMENT PLAN - CONTINUED**

***Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate.*** The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase To Discount Rate (8.00%)</b>
District's proportionate share of the net pension liability (asset)	\$7,235,842	\$ (10,197,490)	\$ (22,746,245)

***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's payable to WRS as of June 30, 2022 was \$384,890, consisting of its monthly required contribution for the employer and employee withholdings for June 2022.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description.** The District administers a single-employer defined benefit healthcare plan. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plan. The plan covers both active and retired participants. As of the actuarial valuation date, there were 370 active participants and 59 retirees in the plan. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

School District of Onalaska  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

A description of the single-employer benefit plan is as follows:

**Administrators - Hired Prior to July 1, 2007 & Did NOT Meet All Necessary Eligibility Requirements as of August 26, 2012**

Eligibility	OPEB Benefit
At least age 55 with a minimum of 15 years of continuous service in the District and subject to the "Rule of 75" (i.e. sum of age and years of service at retirement is at least 75)	<p><u>HRA Contributions (Option 1)</u>: The District will contribute maximum annual contributions of \$7,080 for those with single health coverage and \$14,790 for those with family health coverage. The District's contributions will be made into an HRA until the earlier of 8 years, Medicare-eligibility, age 65 or death, whichever is first.</p> <p><u>HRA Contributions (Option 2)</u>: The District will deposit into a retiree's HRA an amount equal to \$4,000 for each year of service in the District completed prior to July 1, 2012 and \$3,500 per year of service thereafter, up to the maximum of 35 years. This total contribution will be divided equally and deposited over 60 months. These deposits will cease upon either exhaustion of the benefit or death of the retiree.</p>

Administrators hired on or after July 1, 2007 will not be eligible for a District-provided post-employment benefit.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

***Teachers - Hired Prior to July 1, 2007 & Retiring After July 1, 2009 and, as of August 26, 2012, Was at Least Age 55 with a Minimum of 15 Years of Service and Meets the "Rule of 75"***

Eligibility	OPEB Benefit
At least age 55 with a minimum of 15 years of continuous service in the District and subject to the "Rule of 75" (i.e. sum of age and years of service at retirement is at least 75)	<p><u>HRA Contributions (Option 1)</u>: The District will make monthly deposits into a retiree's HRA. This monthly deposit will be equal to 80% of the medical and dental premiums capped at the rates in effect upon retirement. The District's deposits will continue in this manner, capped at these amounts, until age 65 or death, whichever should occur first. These deposits will cease upon either exhaustion of the benefit or death of the retiree.</p> <p><u>HRA Contributions (Option 2)</u>: The District will deposit into a retiree's HRA an amount equal to \$4,000 for each year of service in the District, up to the maximum of 40 years. This total contribution will be divided equally and deposited over 84 months. These deposits will cease upon either exhaustion of the benefit or death of the retiree.</p>

***Teachers - Hired Prior to July 1, 2007 & Did NOT Meet All Necessary Eligibility Requirements as of August 26, 2012***

Eligibility	OPEB Benefit
At least age 55 with a minimum of 15 years of continuous service in the District and subject to the "Rule of 75" (i.e. sum of age and years of service at retirement is at least 75)	<p><u>HRA Contributions (Option 1)</u>: The District will contribute maximum annual contributions of \$7,080 for those with single health coverage and \$14,790 for those with family health coverage. The District's contributions will be made into an HRA until the earlier of 8 years, Medicare-eligibility, age 65 or death, whichever is first.</p> <p><u>HRA Contributions (Option 2)</u>: The District will deposit into a retiree's HRA an amount equal to \$4,000 for each year of service in the District completed prior to July 1, 2012 and \$3,500 per year of service thereafter, up to the maximum of 35 years. This total contribution will be divided equally and deposited over 84 months. These deposits will cease upon either exhaustion of the benefit or death of the retiree.</p>

School District of Onalaska  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

Teachers hired on or after July 1, 2007 will not be eligible for a District-provided post-employment benefit.

**Mid-Level Managers and Data Services**

Mid-level managers/data services employees hired on or after July 1, 2009 will not be eligible for a District-provided post-employment benefit.

**Administrative Assistants, Specialists and Paraprofessionals**

Eligibility	OPEB Benefit
At least age 59 with a minimum of 15 years of service in the District	<u>HRA Contributions</u> : The District will make monthly deposits into a retiree's HRA. This monthly deposit will be equal to 50% of the medical and dental premiums capped at the rates in effect upon retirement. The District's deposits will continue in this manner, frozen at these amounts, until medicare-eligible, age 65 or death, whichever should occur first.

**Custodians and School Nutrition**

Eligibility	OPEB Benefit
At least age 60 with a minimum of 15 years of service in the District	<u>HRA Contributions</u> : The District will make monthly deposits into a retiree's HRA. This monthly deposit will be equal to 50% of the medical and dental premiums frozen at the rates in effect upon retirement. The District's deposits will continue in this manner, frozen at these amounts, until medicare-eligible, age 65 or death, whichever should occur first.



School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

**Funding Policy.** The District has established a trust fund to finance the cost of its OPEB. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required by the Governmental Accounting Standards Board (GASB) in the District-wide statements. There is no obligation on the part of the District to fund these benefits in advance.

**Net Other Post-Employment Benefit Liability.** The net other post-employment benefit liability (NOL) was measured as of June 30, 2021 and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2021.

**Actuarial Methods and Assumptions.** The District engaged an actuary to perform a valuation as of June 30, 2021 using the entry age normal, level percent of salary actuarial cost method. The asset valuation method used for the June 30, 2021 measurement date was the market value and the amortization period used was 10 year, level percent.

The total other post-employment benefit liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Amortization growth rate	2.25%
Discount rate	2.25%
General inflation	2.00%
Annual premium increase rate	6.50% decreasing by 0.10% per year down to 5.00% and level thereafter

All the demographic assumptions used (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are based on an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017. Mortality assumptions were based on the Wisconsin 2018 Mortality Table.

Retirement rates were calculated based on age and years of service. 75% of active administrators, teachers, and non-represented staff and 50% of active custodians, food service employees, administrative assistants, specialists and paraprofessionals currently participating in the District's group medical plan and who are eligible for a post-employment benefit will elect to use their retirement HRA to continue coverage under the District's plan. The study also assumes that 20% of active employees not eligible for a post-employment benefit and currently electing coverage will maintain their health insurance plan after retirement.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

The discount rate used to measure the total other post-employment benefit liabilities as of the measurement date was 2.25%, based on the expected long-term yield on Trust assets, a 20-year AA municipal bond rate.

**Change in the Net Other Post-Employment Benefit Liability**

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at the beginning of the year	\$ 8,813,770	\$ 1,739,198	\$ 7,074,572
Changes for the year:			
Service cost	428,817	-	428,817
Interest	192,831	-	192,831
Changes of benefit terms	-	-	-
Differences between expected and actual experience	16,592	-	16,592
Changes of assumptions or other input	(243,269)	-	(243,269)
Contributions - employer	-	1,506,044	(1,506,044)
Net investment income	-	30,081	(30,081)
Benefit payments	(915,791)	(915,791)	-
Administrative expense	-	-	-
Net changes	(520,820)	620,334	(1,141,154)
Balance at the end of the year	\$ 8,292,950	\$ 2,359,532	\$ 5,933,418

**Sensitivity to Net Other Post-Employment Benefit Liability to changes in the discount and healthcare cost trend rates.** The following represents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.25 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase To Discount Rate (3.25%)
Total OPEB liability	\$8,691,737	\$8,292,950	\$7,906,140
Fiduciary net position	2,359,532	2,359,532	2,359,532
Net OPEB liability	\$6,332,205	\$5,933,418	\$5,546,608

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED**

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the healthcare cost trend rate of 6.5 percent decreasing to 5.0 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

	1% Decrease (5.5% Decreasing to 4.0%)	Current 6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB liability	\$8,106,833	\$8,292,950	\$8,503,248
Fiduciary net position	2,359,532	2,359,532	2,359,532
Net OPEB liability	\$5,747,301	\$5,933,418	\$6,143,716

**Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits.**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,732	\$ 18,932
Changes in assumptions or other input	575,830	520,485
Net differences between projected and actual earnings on pension plan investments	36,757	-
Employer contributions subsequent to the measurement date	876,891	-
<b>Total</b>	<b>\$ 1,540,210</b>	<b>\$ 539,417</b>

\$876,891 reported as deferred outflows related to pensions resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (82,573)
2024	(84,007)
2025	50,369
2026	60,021
2027	56,882
Thereafter	123,210

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 9 - PERPETUAL TRUSTS - FIDUCIARY - SCHOLARSHIP FUNDS**

The District is one of the beneficiaries of the Vernon F. Dale Charitable Trust. This perpetual trust, administered by a third-party trustee, provides the irrevocable right to receive unrestricted income distributions in perpetuity. The District is entitled to 2% of the income based on a 3-year rolling average of trust income. The beneficial interest in the perpetual trust is calculated based on 2% of the total trust fair market value of \$25,785,182 at June 30, 2022.

	Restricted for Scholarships - Non - Spendable
Balance at beginning of year	\$ 629,437
Net change in value	(113,733)
Balance at end of year	\$ <u>515,704</u>

**NOTE 10 - FUND BALANCES AND NET POSITION**

Fund Balances

At June 30, 2022, the District has \$105,683 of nonspendable fund balance for prepaid expenses. The District has a restricted fund balance of \$2,428,859, consisting of \$196,671 for future payments to individual employee 403(b) retirement plans as the employees become vested, \$705 for unspent common school funds, \$349,891 of unspent Covid Relief Funds (CRF), \$46,602 for ARP-Get Kids Ahead, \$750,831 for debt service, and \$1,084,159 for restricted donations, scholarships and student activities. The District has \$1,185,734 of assigned fund balance, consisting of \$974,058 for an Eagle Bluff Elementary HVAC project, \$180,000 for a portable stage and the High School, \$28,000 for furniture at Irving Pertzs Elementary School, and \$3,676 for a smartboard for the Onability Lab. The remaining \$7,570,714 of the general fund balance is unassigned.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 10 - FUND BALANCES AND NET POSITION - CONTINUED**

Net Position

At June 30, 2022, school nutrition net position of \$847,381 was restricted for school nutrition programs after subtracting amounts invested in capital assets of \$117,795.

At June 30, 2022, the Governmental Activities had restricted net position of \$651,942 for debt service, \$196,671 for future payments to individual employee 403(b) retirement plans as the employees become vested, \$705 for unspent common school funds, \$349,891 of unspent Covid Relief Funds (CRF), \$46,602 for ARP-Get Kids Ahead, \$1,084,159 for donor restricted gifts, scholarships and student activities, and \$5,234,036 for the net pension for Wisconsin Retirement System. The Governmental Activities unrestricted net position, after subtracting net investment in capital assets of \$24,686,639 and the amounts restricted above, was \$3,673,689.

**NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES**

Individual fund interfund receivable and payable balances at June 30, 2022 resulting from regular business transactions and expected to be repaid within a year are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Employee Benefit Trust Fund	General Fund	\$ 867,639
Employee Benefit Trust Fund	Food Service Fund	9,252
General Fund	Employee Benefit Trust Fund	774,625
Food Service Fund	Employee Benefit Trust Fund	2,004
Debt Service Fund	General Fund	502,043

The General Fund transferred \$100,000 to its Capital Improvement Trust Fund for future improvements.

**NOTE 12 - 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 insures through commercial insurance companies for all risks of loss, except for health and dental care. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

School District of Onalaska  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
Year ended June 30, 2022

**NOTE 13 - LIMITATION ON SCHOOL DISTRICT REVENUES**

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

- ♦ A resolution of the School Board or by referendum prior to August 12, 1993.
- ♦ A referendum on or after August 12, 1993.

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 31, 2022, the date which the financial statements were available to be issued.

The District signed a lease to purchase 20 copy machines and printers in May of 2022 for \$153,302. The copiers were delivered and put into service in July 2022. The lease is a 60-month lease with monthly payments \$3,487 beginning in July 2021. Total future payments on the lease are \$176,053.

REQUIRED SUPPLEMENTARY INFORMATION

School District of Onalaska  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POST-EMPLOYMENT BENEFIT PLANS  
 Year ended June 30, 2022

	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ 1,131,044	\$ 1,131,044	\$ 1,375,872	\$ 1,335,798	\$ 1,383,266	\$ 1,383,266
Contributions in relation to the ADC	1,506,044	2,131,044	1,249,996	1,316,271	1,431,041	1,431,036
Contribution deficiency (excess)	\$ (375,000)	\$ (1,000,000)	\$ 125,876	\$ 19,527	\$ (47,775)	\$ (47,770)
Covered employee payroll	\$ 17,696,290	\$ 17,915,542	\$ 17,915,542	\$ 9,555,239	\$ 9,555,239	\$ 9,987,599
Contributions as a percentage of covered employee payroll	8.51%	11.89%	6.98%	13.78%	14.98%	14.33%

Key Methods and assumptions used to calculate ADC:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value	Market Value
Amortization method	11 year Level %	10 Year Level %	12 Year Level %
Discount rate	3.50%	3.50%	4.00%
Amortization growth rate	3.00%	3.00%	3.00%
Inflation	2.50%	2.50%	3.00%
Valuation date	June 30, 2019	June 30, 2017	June 30, 2015

\* Amounts presented for the fiscal year were determined as of the fiscal year ended at the measurement date.

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

Note: In the June 30, 2019 valuation, an assumption was added wherein a percentage of active employees who are not eligible for a District-provided benefit and currently electing medical coverage are assumed to self-pay their premiums in retirement. As a result, the covered payroll increased significantly due to the inclusion of all employees not eligible for a District-provided benefit.



School District of Onalaska  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGE IN THE DISTRICT'S NET**  
**OPEB LIABILITY AND RELATED RATIOS**  
Year ended June 30, 2022

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 428,817	\$ 344,718	\$ 342,774	\$ 356,265	\$ 458,876	\$ 458,876
Interest	192,831	289,953	314,379	315,374	316,363	335,142
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	16,592	-	51,141	-	(66,267)	-
Changes of assumptions or other input	(243,269)	547,818	196,538	(109,899)	(890,554)	-
Benefit payments	(915,791)	(961,479)	(1,048,238)	(1,316,271)	(1,287,445)	(1,552,498)
Net change in total OPEB liability	(520,820)	221,010	(143,406)	(754,531)	(1,469,027)	(758,480)
Total OPEB liability - beginning of the year	8,813,770	8,592,760	8,736,166	9,490,697	10,959,724	11,718,204
Total OPEB liability - ending (a)	<u>\$ 8,292,950</u>	<u>\$ 8,813,770</u>	<u>\$ 8,592,760</u>	<u>\$ 8,736,166</u>	<u>\$ 9,490,697</u>	<u>\$ 10,959,724</u>
Fiduciary net position						
Contributions	\$ 1,506,044	\$ 2,131,044	\$ 1,249,996	\$ 1,316,271	\$ 1,431,041	\$ 1,431,036
Net investment income	30,081	9,825	5,449	4,985	2,626	66
Benefit payments	(915,791)	(961,479)	(1,048,238)	(1,316,271)	(1,287,445)	(1,552,498)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	620,334	1,179,390	207,207	4,985	146,222	(121,396)
Fiduciary net position - beginning of the year	1,739,198	559,808	352,601	347,616	201,394	322,790
Fiduciary net position - ending (b)	<u>\$ 2,359,532</u>	<u>\$ 1,739,198</u>	<u>\$ 559,808</u>	<u>\$ 352,601</u>	<u>\$ 347,616</u>	<u>\$ 201,394</u>
Net OPEB liability - end of the year (a) - (b)	<u>\$ 5,933,418</u>	<u>\$ 7,074,572</u>	<u>\$ 8,032,952</u>	<u>\$ 8,383,565</u>	<u>\$ 9,143,081</u>	<u>\$ 10,758,330</u>
Fiduciary net position as a percentage of the total OPEB liability	28.45%	19.73%	6.51%	4.04%	3.66%	1.84%
Covered employee payroll	\$ 17,696,290	\$ 17,915,542	\$ 17,915,542	\$ 9,555,239	\$ 9,555,239	\$ 9,987,599
Net OPEB liability as a percentage of covered employee payroll	33.53%	39.49%	44.84%	87.74%	95.69%	107.72%
Annual weighted money-weighted rate of return net of investment expenses	1.68%	1.69%	1.58%	1.43%	1.21%	0.00%

\* Amounts presented for the fiscal year were determined as of the measurement date.

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

Note: In the June 30, 2019 valuation, an assumption was added wherein a percentage of active employees who are not eligible for a District-provided benefit and currently electing medical coverage are assumed to self-pay their premiums in retirement. As a result, the covered payroll increased significantly due to the inclusion of all employees not eligible for a District-provided benefit.

School District of Onalaska  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**WISCONSIN RETIREMENT SYSTEM**  
Year ended June 30, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability (asset)	0.12748006%	0.12952257%	0.12934212%	0.13006427%	0.12936849%	0.12955638%	0.12814211%	0.12651684%
District's proportionate share of the net pension liability (asset)	\$ (3,131,259)	\$ 2,104,717	\$ 1,066,088	\$ (3,861,762)	\$ 4,602,524	\$ (4,177,489)	\$ (8,000,089)	\$ (10,197,490)
District's covered payroll	\$ 17,880,425	\$ 18,710,654	\$ 18,581,426	\$ 19,289,799	\$ 19,920,782	\$ 20,687,390	\$ 21,010,404	\$ 21,524,779
District's collective net pension liability as a percentage of the employer's covered employee payroll	-17.51%	11.25%	5.74%	-20.02%	23.10%	-20.19%	-38.08%	-47.38%
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%	106.02%

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

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

School District of Onalaska  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**WISCONSIN RETIREMENT SYSTEM**  
Year ended June 30, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 1,251,630	\$ 1,272,325	\$ 1,226,840	\$ 1,311,706	\$ 1,334,692	\$ 1,355,024	\$ 1,418,202	\$ 1,452,922
Contributions in relation to the contracually required contributions	\$ 1,251,630	\$ 1,272,325	\$ 1,226,840	\$ 1,311,706	\$ 1,334,692	\$ 1,355,024	\$ 1,418,202	\$ 1,452,922
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 17,880,425	\$ 18,710,654	\$ 18,581,426	\$ 19,289,799	\$ 19,920,782	\$ 20,687,390	\$ 21,010,404	\$ 21,524,779
Contributions as a percentage of covered-employee payroll	7.00%	6.80%	6.60%	6.80%	6.70%	6.55%	6.75%	6.75%

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

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

**Notes to the Required Supplementary Information**  
Year ended June 30, 2022

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

*Changes of assumptions.* There were no significant changes of assumptions.

School District of Onalaska  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Property taxes	\$ 16,602,914	\$ 17,044,622	\$ 17,044,172	\$ (450)
Other local sources	91,000	251,160	292,359	41,199
Interdistrict sources	3,961,305	4,217,201	4,290,030	72,829
Intermediate sources	-	10,000	15,913	5,913
State sources	18,813,341	19,249,482	19,285,157	35,675
Federal sources	1,476,561	2,913,948	2,348,319	(565,629)
Other sources	230,000	115,998	108,474	(7,524)
Total revenues	41,175,121	43,802,411	43,384,424	(417,987)
<b>Expenditures</b>				
<b>Instruction</b>				
Regular instruction	16,799,028	16,918,062	16,145,950	772,112
Vocational instruction	862,671	859,576	884,039	(24,463)
Special instruction	5,238,601	5,156,539	4,933,745	222,794
Other instruction	1,562,651	1,694,159	1,783,315	(89,156)
Total instruction	24,462,951	24,628,336	23,747,049	881,287
<b>Support services</b>				
Pupil services	1,817,863	2,264,250	1,875,095	389,155
Instructional staff services	2,360,351	2,847,110	2,638,509	208,601
General administration services	625,391	659,655	670,726	(11,071)
Building administration services	1,744,858	1,772,521	1,725,967	46,554
Business administration services	5,807,306	6,124,897	6,542,825	(417,928)
Central services	285,542	281,043	261,511	19,532
Insurance	269,012	269,457	264,744	4,713
Principal and interest	32,145	26,145	20,962	5,183
Other support services	861,844	900,454	849,988	50,466
Total support services	13,804,312	15,145,532	14,850,327	295,205
<b>Non-program services</b>	2,807,858	3,334,000	3,239,054	94,946
Total expenditures	41,075,121	43,107,868	41,836,430	1,271,438
Excess of revenues over expenditures	100,000	694,543	1,547,994	853,451
<b>Other financing sources</b>				
Proceeds from sale of capital assets	-	-	47,715	47,715
Transfers to other funds	(100,000)	(100,000)	(100,000)	-
	(100,000)	(100,000)	(52,285)	47,715
<b>Net change in fund balance</b>	-	594,543	1,495,709	901,166
Fund balance at July 1, 2021	7,960,291	7,960,291	7,960,291	-
Fund balance at June 30, 2022	\$ 7,960,291	\$ 8,554,834	\$ 9,456,000	\$ 901,166

School District of Onalaska  
**RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - REGULATORY BASIS TO GAAP BASIS**  
**GENERAL FUND AND SPECIAL EDUCATION FUND**  
Year ended June 30, 2022

	General Fund - Fund 10			Special Education Fund - Fund 27			Combined Fund 10 and Fund 27		
	Budgeted Amounts			Budgeted Amounts			Budgeted Amounts		
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual
<b>Revenues</b>									
Property taxes	\$ 16,602,914	\$ 17,044,622	\$ 17,044,172	\$ -	\$ -	\$ -	\$ 16,602,914	\$ 17,044,622	\$ 17,044,172
Other local sources	91,000	251,160	292,359	-	-	-	91,000	251,160	292,359
Interdistrict sources	3,961,305	4,211,205	4,284,034	-	5,996	5,996	3,961,305	4,217,201	4,290,030
Intermediate sources	-	-	2,920	-	10,000	12,993	-	10,000	15,913
State sources	17,391,792	17,545,950	17,581,625	1,421,549	1,703,532	1,703,532	18,813,341	19,249,482	19,285,157
Federal sources	586,124	1,878,384	1,519,776	890,437	1,035,564	828,543	1,476,561	2,913,948	2,348,319
Other sources	230,000	115,998	108,461	-	-	13	230,000	115,998	108,474
Total revenues	38,863,135	41,047,319	40,833,347	2,311,986	2,755,092	2,551,077	41,175,121	43,802,411	43,384,424
<b>Expenditures</b>									
<b>Instruction</b>									
Regular instruction	16,799,028	16,918,062	16,145,950	-	-	-	16,799,028	16,918,062	16,145,950
Vocational instruction	862,671	859,576	884,039	-	-	-	862,671	859,576	884,039
Special instruction	-	-	-	5,238,601	5,156,539	4,933,745	5,238,601	5,156,539	4,933,745
Other instruction	1,562,651	1,694,159	1,783,315	-	-	-	1,562,651	1,694,159	1,783,315
Total instruction	19,224,350	19,471,797	18,813,304	5,238,601	5,156,539	4,933,745	24,462,951	24,628,336	23,747,049
<b>Support services</b>									
Pupil services	1,107,987	1,500,120	1,189,708	709,876	764,130	685,387	1,817,863	2,264,250	1,875,095
Instructional staff services	2,039,820	2,510,994	2,336,249	320,531	336,116	302,260	2,360,351	2,847,110	2,638,509
General administration services	625,391	659,655	670,726	-	-	-	625,391	659,655	670,726
Building administration services	1,744,858	1,772,521	1,725,967	-	-	-	1,744,858	1,772,521	1,725,967
Business administration services	5,460,856	5,754,097	6,168,774	346,450	370,800	374,051	5,807,306	6,124,897	6,542,825
Central services	282,042	277,243	259,103	3,500	3,800	2,408	285,542	281,043	261,511
Insurance	269,012	269,457	264,744	-	-	-	269,012	269,457	264,744
Principal and interest	32,145	26,145	20,962	-	-	-	32,145	26,145	20,962
Other support services	861,844	900,454	849,988	-	-	-	861,844	900,454	849,988
Total support services	12,423,955	13,670,686	13,486,221	1,380,357	1,474,846	1,364,106	13,804,312	15,145,532	14,850,327
<b>Non-program services</b>	2,527,858	3,019,000	2,995,469	280,000	315,000	243,585	2,807,858	3,334,000	3,239,054
Total expenditures	34,176,163	36,161,483	35,294,994	6,898,958	6,946,385	6,541,436	41,075,121	43,107,868	41,836,430
Excess of revenues over expenditures	4,686,972	4,885,836	5,538,353	(4,586,972)	(4,191,293)	(3,990,359)	100,000	694,543	1,547,994
<b>Other financing sources (uses)</b>									
Proceeds from sale of capital assets	-	-	47,715	-	-	-	-	-	47,715
Transfer from (to) other funds	(4,686,972)	(4,291,293)	(4,090,359)	4,586,972	4,191,293	3,990,359	(100,000)	(100,000)	(100,000)
	(4,686,972)	(4,291,293)	(4,042,644)	4,586,972	4,191,293	3,990,359	(100,000)	(100,000)	(52,285)
<b>Net change in fund balance</b>	-	594,543	1,495,709	-	-	-	-	594,543	1,495,709
Fund balance at July 1, 2021	7,960,291	7,960,291	7,960,291	-	-	-	7,960,291	7,960,291	7,960,291
Fund balance at June 30, 2022	\$ 7,960,291	\$ 8,554,834	\$ 9,456,000	\$ -	\$ -	\$ -	\$ 7,960,291	\$ 8,554,834	\$ 9,456,000

School District of Onalaska  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**REFERENDUM DEBT**  
Year ended June 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property taxes	\$ 1,760,489	\$ 1,760,489	\$ 1,760,489	\$ -
Other local sources	<u>-</u>	<u>5,000</u>	<u>791</u>	<u>(4,209)</u>
Total revenues	1,760,489	1,765,489	1,761,280	(4,209)
<b>Expenditures</b>				
Support services				
Principal and interest	<u>1,776,252</u>	<u>1,776,252</u>	<u>1,778,227</u>	<u>(1,975)</u>
<b>Net change in fund balance</b>	(15,763)	(10,763)	(16,947)	(6,184)
Fund balance at July 1, 2021	<u>724,335</u>	<u>724,335</u>	<u>724,335</u>	<u>-</u>
Fund balance at June 30, 2022	\$ <u><u>708,572</u></u>	\$ <u><u>713,572</u></u>	\$ <u><u>707,388</u></u>	\$ <u><u>(6,184)</u></u>

School District of Onalaska  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**NON-REFERENDUM DEBT**  
Year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local sources	-	-	89	89
Other sources	-	-	-	-
Total revenues	-	-	89	89
<b>Expenditures</b>				
Support services				
Principal and interest	-	-	-	-
<b>Net change in fund balance</b>	-	-	89	89
Fund balance at July 1, 2021	43,354	43,354	43,354	-
Fund balance at June 30, 2022	\$ 43,354	\$ 43,354	\$ 43,443	\$ 89

School District of Onalaska  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2022

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

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

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

- ◆ Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- ◆ The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1<sup>st</sup> through June 30<sup>th</sup> fiscal year.
- ◆ A notice is published in the local newspaper containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- ◆ Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- ◆ Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- ◆ Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance in the governmental fund financial statements.

**NOTE 2 - BASIS OF ACCOUNTING**

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the financial statements. There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes, the special education fund was budgeted separate from the general fund, but for GAAP, the two are combined.

School District of Onalaska  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**  
Year ended June 30, 2022

**NOTE 3 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following functions had an excess of actual expenditures over budget for the year ended June 30, 2022:

<u>Individual Fund and Function</u>	<u>Expenditures</u>
<b>General Fund</b>	
Vocational instruction	\$ 24,463
Other instruction	89,156
General administrative services	11,071
Business administrative services	417,928
<b>Referendum Debt Service Fund</b>	
Principal and interest	1,975

**NOTE 4 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION  
LIABILITIES (ASSETS)**

*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-ended December 31, 2018, 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 Wisconsin 2018 Mortality Table.



School District of Onalaska  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**  
Year ended June 30, 2022

**NOTE 4 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION  
LIABILITIES (ASSETS) - CONTINUED**

**Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially  
Determined Contributions:**

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
<b>Actuarial Assumptions</b>					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Salary Increases</b>					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age:	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

School District of Onalaska  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**  
Year ended June 30, 2022

**NOTE 4 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION  
LIABILITIES (ASSETS) - CONTINUED**

**Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially  
Determined Contributions:**

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.
Mortality:				

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

OTHER SUPPLEMENTAL FINANCIAL INFORMATION

School District of Onalaska

**BALANCE SHEETS**

**DEBT SERVICE FUNDS**

June 30, 2022

	<u>Referendum</u>	<u>Non-Referendum</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 205,345	\$ 43,443	\$ 248,788
Due from other funds	<u>502,043</u>	<u>-</u>	<u>502,043</u>
Total assets	<u>\$ 707,388</u>	<u>\$ 43,443</u>	<u>\$ 750,831</u>
<b>FUND BALANCES</b>			
Restricted	\$ <u>707,388</u>	\$ <u>43,443</u>	\$ <u>750,831</u>
Total fund balance	<u>\$ 707,388</u>	<u>\$ 43,443</u>	<u>\$ 750,831</u>

School District of Onalaska  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUNDS**  
Year ended June 30, 2022

	Referendum	Non-Referendum	Total
<b>Revenues</b>			
Property taxes	\$ 1,760,489	\$ -	\$ 1,760,489
Other local sources	791	89	880
Other sources	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	1,761,280	89	1,761,369
<b>Expenditures</b>			
Support services			
Principal and interest	<u>1,778,227</u>	<u>-</u>	<u>1,778,227</u>
Excess of revenues over expenditures	(16,947)	89	(16,858)
<b>Other financing sources (uses)</b>			
Proceeds from bonds	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	(16,947)	89	(16,858)
Fund balance at July 1, 2021	<u>724,335</u>	<u>43,354</u>	<u>767,689</u>
Fund balance at June 30, 2022	<u>\$ 707,388</u>	<u>\$ 43,443</u>	<u>\$ 750,831</u>

School District of Onalaska  
**BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2022

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Special Trust Fund	Capital Improvement Trust Fund	
<b>ASSETS</b>			
Cash and investments	\$ 591,103	\$ 495,916	\$ 1,087,019
Prepaid expenses	<u>1,591</u>	<u>-</u>	<u>1,591</u>
Total assets	<u>\$ 592,694</u>	<u>\$ 495,916</u>	<u>\$ 1,088,610</u>
<b>LIABILITIES</b>			
Accounts payable	\$ <u>4,451</u>	\$ <u>-</u>	\$ <u>4,451</u>
Total liabilities	4,451	-	4,451
<b>FUND BALANCES</b>			
Nonspendable	1,591	-	1,591
Restricted	<u>586,652</u>	<u>495,916</u>	<u>1,082,568</u>
Total fund balance	<u>588,243</u>	<u>495,916</u>	<u>1,084,159</u>
Total liabilities and fund balances	<u>\$ 592,694</u>	<u>\$ 495,916</u>	<u>\$ 1,088,610</u>

School District of Onalaska  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended June 30, 2022

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Special Trust Fund	Capital Improvement Trust Fund	
<b>Revenues</b>			
Other local sources	\$ 725,881	\$ 888	\$ 726,769
Total revenues	<u>725,881</u>	<u>888</u>	<u>726,769</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular instruction	74,529	-	74,529
Vocational instruction	74	-	74
Other instruction	<u>487,541</u>	<u>-</u>	<u>487,541</u>
Total instruction	<u>562,144</u>	<u>-</u>	<u>562,144</u>
<b>Support services</b>			
Instructional staff			
services	36,132	-	36,132
General administration			
services	8,180	-	8,180
Building administration			
services	248	-	248
Business administration	71,297	-	71,297
Central services	<u>660</u>	<u>-</u>	<u>660</u>
Total support			
services	116,517	-	116,517
<b>Nonprogram services</b>	<u>32,025</u>	<u>-</u>	<u>32,025</u>
Total expenditures	<u>710,686</u>	<u>-</u>	<u>710,686</u>
Excess of revenues over expenditures	15,195	888	16,083
<b>Other financing sources</b>			
Transfer from other funds	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<b>Net change in fund balances</b>	15,195	100,888	116,083
Fund balances at July 1, 2021	<u>573,048</u>	<u>395,028</u>	<u>968,076</u>
Fund balances at June 30, 2022	<u>\$ 588,243</u>	<u>\$ 495,916</u>	<u>\$ 1,084,159</u>

School District of Onalaska  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2022

	Federal Catalog Number	Program or Award Number	Program or Award Amount	Receivable at July 1, 2021	Expenditures	Revenues Grantor	Receivable at June 30, 2022	Footnote
United States Department of Agriculture Passed through Wisconsin Department of Public Instruction								
Food Distribution	10.555							
July 1, 2021 to June 30, 2022		UNKNOWN	N/A	\$ -	\$ 118,095	\$ 118,095	\$ -	3
School Breakfast Program	10.553							
July 1, 2021 to June 30, 2022		2022-324095-DPI-SB-546	N/A	-	342,103	342,103	-	3
National School Lunch Program	10.553							
July 1, 2021 to June 30, 2022		2022-324095-DPI-NSL-547	N/A	-	1,342,404	1,342,404	-	3
Summer Food Service	10.559							
July 1, 2020 to June 30, 2021			N/A	49,018	-	49,018	-	2
July 1, 2021 to June 30, 2022		2022-324095-DPI-SFSP-561	N/A	-	69,482	52,836	16,646	2
Subtotal Child Nutrition Cluster				49,018	1,872,084	1,904,456	16,646	
Total United States Department of Agriculture				49,018	1,872,084	1,904,456	16,646	
Department of the Treasury Passed through Wisconsin Department of Administration Coronavirus State and Local Fiscal Recovery Funds - Get Kids Ahead								
March 3, 2021 to December 31, 2024	21.027	SLFRP0135	\$ 46,602	-	46,602	46,602	-	
Federal Communications Commission Passed through Universal Service Administrative Co. Emergency Connectivity Fund Program								
July 1, 2021 to June 30, 2022	32.009	ECF202105781	\$ 277,465	-	174,375	174,375	-	
United States Department of Education Passed through Wisconsin Department of Public Instruction								
ESEA-Title I-A, Basic Grant	84.010A							
July 1, 2020 to June 30, 2021			N/A	24,013	-	24,013	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-TIA-141	\$ 277,465	-	268,930	178,809	90,121	
ESEA-Title II-A, Teacher/Principal Training	84.367A							
July 1, 2020 to June 30, 2021			N/A	10,029	-	10,029	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-TIIA-365	\$ 63,025	-	64,483	36,702	27,781	
Special Education Cluster								
IDEA Flow-Through	84.027A							
July 1, 2020 to June 30, 2021			N/A	54,923	-	54,923	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-FLOW-341	\$ 830,700	-	607,715	414,546	193,169	
PL 99-457, Idea Preschool Entitlement	84.173A							
July 1, 2020 to June 30, 2021			N/A	497	-	497	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-PRESCH-347	\$ 19,863	-	11,675	11,132	543	
Subtotal Special Education Cluster				55,420	619,390	481,098	193,712	



School District of Onalaska  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
Year ended June 30, 2022

	Federal Catalog Number	Program or Award Number	Program or Award Amount	Receivable at July 1, 2021	Expenditures	Revenues Grantor	Receivable at June 30, 2022	Footnote
United States Department of Education - Continued								
Passed through Wisconsin Department of Public Instruction - Continued								
Vocational Education	84.048							
July 1, 2020 to June 30, 2021		2022-324095-DPI-CTE-400	\$ 17,541	-	17,541	17,541	-	
ESEA-Title IIIA, English Language Acquisition	84.365							
July 1, 2020 to June 30, 2021			N/A	6,152	-	6,152	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-TIIIA-391	\$ 49,514	-	15,951	5,597	10,354	
ESEA-Title IV, Student Support	84.424A							
July 1, 2020 to June 30, 2021			N/A	2,730	-	2,730	-	
July 1, 2021 to June 30, 2022		2022-324095-DPI-TIVA-381	\$ 14,721	-	12,528	9,809	2,719	
Elementary and Secondary School Emergency Relief Fund - COVID-19	84.425D							
March 13, 2020 to September 30, 2022		2021-324095-DPI-ESSERF-160	\$ 205,978	1,066	3,123	1,465	2,724	
Elementary and Secondary School Emergency Relief Fund II - COVID-19	84.425D							
March 13, 2020 to September 30, 2022		2022-324095-DPI-ESSERFII-163	\$ 791,042	-	472,324	255,838	216,486	
ARP Homeless Children and Youth	84.425W							
March 13, 2020 to September 30, 2022		2022-324095-DPI-ARPHCYII-173	\$ 5,410	-	2,392	-	2,392	
Total United States Department of Education				99,410	1,476,662	1,029,783	546,289	
United States Department of Health and Human Services								
Passed through State of Wisconsin Health Care Financing Programs								
Medicaid	93.778							
July 1, 2020 to June 30, 2021			N/A	3,232	-	3,232	-	
July 1, 2021 to June 30, 2022		UNKNOWN	N/A	-	281,811	281,811	-	
Total United States Department of Health and Human Services				3,232	281,811	285,043	-	
Total Federal Financial Assistance				\$ 151,660	\$ 3,851,534	\$ 3,440,259	\$ 562,935	

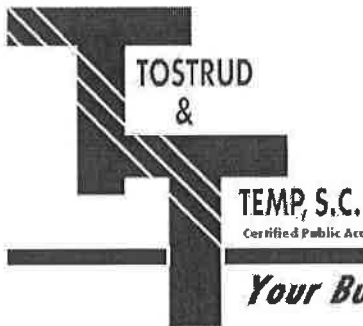
- Note 1: This statement is prepared using the same basis of accounting as the District's financial statements. The District uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.
- Note 2: The amount shown as current year expenses represent the federal grant portion of the grant program costs. Entire program costs including other local revenues may be more than shown.
- Note 3: The amount of commodities reported on the schedule is the value of commodities received by the District in the current year and are priced as prescribed by the Wisconsin Department of Public Instruction.
- Note 4: All costs reported are direct costs. The District did not use the 10% de minimis indirect rate.
- Note 5: There were no subrecipients.

School District of Onalaska  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
Year ended June 30, 2022

	<u>I.D. Number</u>	<u>Program or Award Amount</u>	<u>Receivable at July 1, 2021</u>	<u>Expenditures</u>	<u>Revenue State Reimbursements</u>	<u>Receivable at June 30, 2022</u>
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>						
Direct						
Educator Effectiveness	255.940					
July 1, 2021 to June 30, 2022		\$ 20,080	\$ -	\$ 20,080	\$ 20,080	\$ -
Transition Readiness Grant	255.257					
July 1, 2021 to June 30, 2022		\$ 35,000	-	35,000	-	35,000
School Based Mental Health Services	255.297					
July 1, 2021 to June 30, 2022		\$ 75,000	-	70,075	-	70,075
Career and Technical Education Incentive	255.950					
July 1, 2021 to June 30, 2022		\$ 3,376	-	3,376	3,376	-
			-	128,531	23,456	105,075
Passed through Cooperative Educational Service Agency #4						
Youth Apprenticeship	Unknown					
July 1, 2021 to June 30, 2022		\$ 2,920	-	2,920	2,920	-
			\$ -	\$ 131,451	\$ 26,376	\$ 105,075
Entitlement Programs						
<u>Major State Programs</u>						
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>						
General Equalization	255.201			\$ 14,912,487		
Handicapped Pupils and School Age Parents:	255.101					
Internal District Programs			\$ 5,553,628	\$ 1,573,393		
Participant in Co-op Programs at CESA #4				12,993		
Participant in Co-op Programs at School District of Holmen				5,996		
Total Handicapped Program				1,592,382		
Pupil Transportation	255.107			27,810		
Total major programs				\$ 16,532,679		
<u>Non-major State Programs</u>						
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>						
Common School Fund Library Aid	255.103			129,531		
Bilingual/Bicultural	255.106			35,727		
School Day Milk Program	255.109			5,154		
High Cost Special Education Aid	255.210			81,749		
School Mental Health Program	255.227			19,558		
Early College Credit Program	255.445			316		
Per Pupil Adjustment Aid	255.925			2,042,726		
Assessment of Reading Readiness	255.956			4,912		
Special Education Transition Incentive	255.960			13,389		
Total Wisconsin DPI				\$ 2,333,062		
Total State Assistance				\$ 18,997,192		

Note: This report is prepared on the accrual basis of accounting.

OTHER REPORTS



TEMP, S.C.  
Certified Public Accountants

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***Your Business Safety Net***

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Education  
School District of Onalaska  
Onalaska, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Onalaska, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2022.

**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) to determine the 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 may exist that have not been identified.

#### **Compliance and Other Matters**

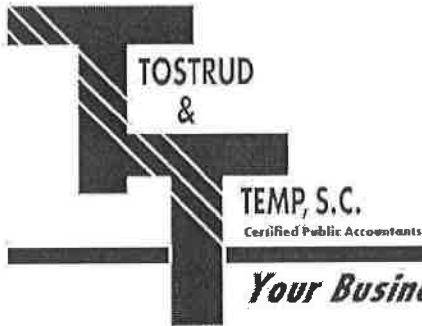
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tostrud & Temp, S.C.*

October 31, 2022



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

Board of Education  
School District of Onalaska  
Onalaska, Wisconsin

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

***Qualified and Unmodified Opinions***

We have audited the School District of Onalaska's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement 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, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on State Special Education and School Age Parents Aid***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School District of Onalaska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the State Special Education and School Age Parents Aid for the year ended June 30, 2022.

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

In our opinion, the School District of Onalaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 *Wisconsin State Single Audit Guidelines*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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.

#### ***Matter Giving Rise to Qualified Opinion on State Special Education and School Age Parents Aid***

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the State Special Education and School Age Parents Aid as described in finding number 2022-001 for Activities Allowed or Unallowed/Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

### ***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.

### ***Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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, 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 instances of noncompliance which are required to be reported in accordance with the Wisconsin State Single Audit Guidelines and which are described in the accompanying schedule of findings and questioned costs as items 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance 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.

#### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 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 program will not be prevented, or detected and corrected, on a timely basis. We considered the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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.

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. Accordingly, this report is not suitable for any other purpose.

*Trost & Temp, S.C.*

October 31, 2022

School District of Onalaska  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year ended June 30, 2022

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<u>    </u> yes	<u>  X  </u> no
Significant deficiency(ies) identified?	<u>    </u> yes	<u>  X  </u> none reported

Noncompliance material to the financial statements?

	<u>    </u> yes	<u>  X  </u> no
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**Federal Awards**

Internal control over compliance:

Material weakness identified?	<u>    </u> yes	<u>  X  </u> no
Significant deficiency(ies) identified?	<u>    </u> yes	<u>  X  </u> none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

	<u>    </u> yes	<u>  X  </u> no
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Identification of major federal program

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	School Nutrition Cluster
93.778	Medicaid

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee?   X   yes      no

**State Awards**

Internal control over major state programs:

Material weakness identified?	<u>  X  </u> yes	<u>    </u> no
Significant deficiency(ies) identified??	<u>    </u> yes	<u>  X  </u> none reported

Type of auditor's report issued on Compliance for major programs: Modified

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

	<u>  X  </u> yes	<u>    </u> no
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School District of Onalaska  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
Year ended June 30, 2022

**Section I - Summary of Auditor's Results - Continued**

Identification of major state program

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.201	General Equalization Aid
255.101	Special Education and School Age Parents
255.107	Pupil Transportation

**Section II - Current-Year Financial Statement Findings**

None

**Section III - Prior-Year Financial Statement Findings**

None

**Section IV - Federal and State Award Findings and Questioned Costs**

2022-001 Special Education and School Age Parents Aid

Criteria: Staff must be appropriately licensed for a special education work assignment listed for their salary and benefits to be eligible for aid.

Condition: The District had one special education aid hired during the year that was not properly licensed. The District paid \$11,286 in salaries and wages for the aid.

Effect: The District paid \$11,286 in salaries and benefits for one special education aid that was not properly licensed.

Cause: The District did not ensure all special education staff were properly licensed.

Recommendation: The District should place additional emphasis on ensuring staff complete all licensing requirements.

Response: Additional emphasis has been placed ensuring all staff complete all necessary requirements to receive state licenses for their positions.

**Section V - Prior-Year Federal and State Award Findings and Questioned Costs**

2021-001 Pupil Transportation Aid: The District had clerical errors in reporting students in several categories.

Status: There were no findings in the current year. There were no clerical errors in the current year annual report.

2021-002 The District had four special education aids hired during the year that were not properly licensed. The District paid \$59,302 in salaries and wages for these four aids.

Status: This is still a current year finding. The District had one special education aid in the current year that was not properly licensed.