VERONA AREA SCHOOL DISTRICT
Verona, Wisconsin

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024



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VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	7
BALANCE SHEET – GOVERNMENTAL FUNDS	8
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL FUNDS	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	11
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	13
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	14
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	15
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	16
NOTES TO BASIC FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	58
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND	59
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)	60
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION	60
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – SUPPLEMENTAL PENSION	61

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS ASSET AND RELATED RATIOS 63

SCHEDULE OF INVESTMENT RETURNS 65

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY 65

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCAL RETIREE LIFE INSURANCE FUND 65

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION 66

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET 71

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 72

SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS 73

ANALYSIS OF LOCAL LEVY 74

OTHER INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AND AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 76

FEDERAL AND STATE AWARDS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 82

SCHEDULE OF EXPENDITURES OF STATE AWARDS 84

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS 85

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 86

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INDEPENDENT AUDITORS' REPORT

Board of Education
Verona Area School District
Verona, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Verona Area School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the pension and other postemployment benefits (OPEB) schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of charter school authorizer operating costs, and analysis of local levy are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of expenditures of federal and state 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* and the *State Single Audit Guidelines,* issued by the Wisconsin Department of Administration are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of charter school authorizer operating costs, analysis of local levy, and schedules of federal and state 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 November 26, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 26, 2024

BASIC FINANCIAL STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 23,534,412	$ 1,000	$ 23,535,412
Receivables:			
Taxes	26,332,750	-	26,332,750
Accounts	156,798	21,738	178,536
Internal Balances	(1,503,846)	1,503,846	-
Due from Other Governments	2,131,462	18,091	2,149,553
Due from Employee Benefit Trust Fund	481,076	6,912	487,988
Prepaid Supplies and Items	260,245	29,403	289,648
Capital Assets:			
Nondepreciable	15,915,155	-	15,915,155
Depreciable, Net	195,515,648	489,648	196,005,296
Total Assets	262,823,700	2,070,638	264,894,338
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	572,982	-	572,982
Pension Related Amounts	35,844,894	431,448	36,276,342
Other Postemployment Related Amounts	7,299,246	113,389	7,412,635
Total Deferred Outflows of Resources	43,717,122	544,837	44,261,959
LIABILITIES			
Accounts Payable	1,397,858	31,812	1,429,670
Accrued and Other Current Liabilities	7,542,431	-	7,542,431
Accrued Interest Payable	1,076,903	-	1,076,903
Unearned Revenues	-	91,792	91,792
Long-Term Obligations:			
Due in One Year	8,637,974	-	8,637,974
Due in More Than One Year	119,786,430	-	119,786,430
Other Postemployment Benefits Liability	5,419,702	80,255	5,499,957
Pension Liability	11,429,685	50,702	11,480,387
Total Liabilities	155,290,983	254,561	155,545,544
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	21,393,730	272,590	21,666,320
Other Postemployment Related Amounts	4,247,348	63,932	4,311,280
Total Deferred Inflows of Resources	25,641,078	336,522	25,977,600
NET POSITION			
Net Investment in Capital Assets	86,368,192	489,648	86,857,840
Restricted:			
Debt Service	4,587,559	-	4,587,559
Scholarships	94,706	-	94,706
Student Organizations	321,055	-	321,055
Special Projects	1,173,017	-	1,173,017
Capital Expansion	2,236,497	-	2,236,497
Unrestricted	30,827,735	1,534,744	32,362,479
Total Net Position	$ 125,608,761	$ 2,024,392	$ 127,633,153

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES						
Instruction	$ 59,244,554	$ 3,557,736	$ 6,226,499	$ (49,460,319)	$ -	$ (49,460,319)
Support Services	39,124,067	-	202,031	(38,922,036)	-	(38,922,036)
Community Services	1,257,340	527,344	-	(729,996)	-	(729,996)
Nonprogram	2,258,486	-	-	(2,258,486)	-	(2,258,486)
Interest and Fiscal Charges	4,196,552	-	-	(4,196,552)	-	(4,196,552)
Depreciation and Amortization - Unallocated	37,573	-	-	(37,573)	-	(37,573)
Total Governmental Activities	106,118,572	4,085,080	6,428,530	(95,604,962)	-	(95,604,962)
BUSINESS-TYPE ACTIVITIES						
School Food Service Program	3,249,598	1,224,194	1,675,367	-	(350,037)	(350,037)
Total School District	$ 109,368,170	$ 5,309,274	$ 8,103,897	(95,604,962)	(350,037)	(95,954,999)
GENERAL REVENUES						
Property Taxes				75,097,627	-	75,097,627
State and Federal Aids not Restricted to Specific Functions				31,176,567	-	31,176,567
Gain on Disposal of Capital Assets				52,500	-	52,500
Miscellaneous				207,521	-	207,521
Total General Revenues				106,534,215	-	106,534,215
CHANGE IN NET POSITION				10,929,253	(350,037)	10,579,216
Net Position - Beginning of Year				114,679,508	2,374,429	117,053,937
NET POSITION - END OF YEAR				$ 125,608,761	$ 2,024,392	$ 127,633,153

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Referendum Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and Investments	$ 18,886,352	$ 1,063,657	$ 3,584,403	$ 23,534,412
Receivables:				
Taxes	13,766,034	12,566,716	-	26,332,750
Accounts	151,099	-	5,699	156,798
Due from Other Funds	8,272,241	-	1,536,889	9,809,130
Due from Employee Benefit Trust Fund	478,936	-	2,140	481,076
Due from Other Governments	2,131,462	-	-	2,131,462
Prepaid Items	260,245	-	-	260,245
Total Assets	$ 43,946,369	$ 13,630,373	$ 5,129,131	$ 62,705,873
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 1,068,355	$ -	$ 329,503	$ 1,397,858
Accrued and Other Current Liabilities	7,542,431	-	-	7,542,431
Due to Other Funds	3,309,994	7,965,911	37,071	11,312,976
Total Liabilities	11,920,780	7,965,911	366,574	20,253,265
FUND BALANCES				
Nonspendable	260,245	-	-	260,245
Restricted	-	5,664,462	4,762,557	10,427,019
Committed	42,569		-	42,569
Assigned	31,722,775	-	-	31,722,775
Total Fund Balances	32,025,589	5,664,462	4,762,557	42,452,608
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 43,946,369	$ 13,630,373	$ 5,129,131	$ 62,705,873

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL FUNDS
JUNE 30, 2024

Total fund balances as shown on previous page	$ 42,452,608
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	211,430,803
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Charge on Refunding	572,982
Deferred Outflows Related to Pensions	35,844,894
Deferred Inflows Related to Pensions	(21,393,730)
Deferred Outflows Related to Other Postemployment Benefits	7,299,246
Deferred Inflows Related to Other Postemployment Benefits	(4,247,348)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(121,751,106)
Premium on Bonds and Notes Payable	(3,581,540)
Discount on Bonds and Notes Payable	(39,447)
Compensated Absences	(3,052,311)
Other Postemployment Benefits Liability	(5,419,702)
Pension Liability	(11,429,685)
Accrued Interest on Long-Term Obligations	(1,076,903)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 125,608,761

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Debt Service	Other Governmental Funds	Total
REVENUES				
Property Taxes	$ 60,574,273	$ 12,566,716	$ 1,956,638	$ 75,097,627
Other Local Sources	1,648,735	57,078	2,220,804	3,926,617
Interdistrict Sources	1,739,864	-	-	1,739,864
Intermediate Sources	35,451	-	-	35,451
State Sources	37,134,909	-	-	37,134,909
Federal Sources	4,838,614	-	-	4,838,614
Other Sources	207,521	-	37,718	245,239
Total Revenues	106,179,367	12,623,794	4,215,160	123,018,321
EXPENDITURES				
Instruction:				
Regular Instruction	34,890,886	-	646,768	35,537,654
Vocational Instruction	2,253,895	-	19,604	2,273,499
Special Education Instruction	10,347,251	-	-	10,347,251
Other Instruction	8,857,467	-	822,621	9,680,088
Total Instruction	56,349,499	-	1,488,993	57,838,492
Support Services:				
Pupil Services	6,178,031	-	-	6,178,031
Instructional Staff Services	7,883,014	-	85	7,883,099
General Administration Services	2,609,437	-	-	2,609,437
School Administration Services	5,137,870	-	293,968	5,431,838
Business Services	1,365,498	-	-	1,365,498
Operations and Maintenance of Plant	11,097,118	-	1,744,410	12,841,528
Pupil Transportation Services	4,319,957	-	50,008	4,369,965
Central Services	749,060	-	-	749,060
Insurance	1,044,466	-	-	1,044,466
Other Support Services	1,641,352	-	67,888	1,709,240
Total Support Services	42,025,803	-	2,156,359	44,182,162
Debt Service:				
Principal	-	7,855,000	-	7,855,000
Interest and Fiscal Charges	-	4,539,354	-	4,539,354
Total Debt Service	-	12,394,354	-	12,394,354
Community Service	-	-	1,249,469	1,249,469
Nonprogram:				
General Tuition Payments	1,537,249	-	-	1,537,249
Special Education Tuition Payments	271,508	-	-	271,508
Adjustments and Refunds	51,977	-	-	51,977
Voucher Payments	537,207	-	-	537,207
Total Nonprogram	2,397,941	-	-	2,397,941
Total Expenditures	100,773,243	12,394,354	4,894,821	118,062,418
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,406,124	229,440	(679,661)	4,955,903
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	52,500	-	-	52,500
Transfers In	28,894	2,119,723	-	2,148,617
Transfers Out	(2,119,723)	-	(28,894)	(2,148,617)
Total Other Financing Sources (Uses)	(2,038,329)	2,119,723	(28,894)	52,500
NET CHANGE IN FUND BALANCES	3,367,795	2,349,163	(708,555)	5,008,403
Fund Balances - Beginning of Year	28,657,794	3,315,299	5,471,112	37,444,205
FUND BALANCES - END OF YEAR	$ 32,025,589	$ 5,664,462	$ 4,762,557	$ 42,452,608

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances as shown on previous page	$ 5,008,403
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Assets Reported as Expenditures Reported in Governmental Fund Statements	3,825,596
Depreciation Expense Reported in the Statement of Activities	(5,870,737)
Net Book Value of Disposals	(41,897)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal Repaid	7,855,000
Some expenses reported in the statement of activities do not required the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued Interest on Long-Term Debt	(47,246)
Amortization of Premium/Discount	390,048
Compensated Absences	571,795
Net Pension Liability	8,995,436
Deferred Outflows of Resources Related to Pensions	(16,274,278)
Deferred Inflows of Resources Related to Pensions	7,255,163
Other Postemployment Benefits	(2,914,386)
Deferred Outflows of Resources Related to Other Postemployment Benefits	1,176,842
Deferred Inflows of Resources Related to Other Postemployment Benefits	999,514
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$ 10,929,253

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2024

	2024
ASSETS	
Cash and Investments	$ 1,000
Receivables	
Accounts	21,738
Due from Other Funds	1,503,846
Due from Employee Benefit Trust Fund	6,912
Due from Other Governments	18,091
Prepaid Supplies and Items	29,403
Capital Assets:	
Depreciable, Net	489,648
Total Assets	2,070,638
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	431,448
Other Postemployment Related Amounts	113,389
Total Deferred Outflows of Resources	544,837
LIABILITIES	
Accounts Payable	31,812
Unearned Revenues	91,792
Long-Term Obligations	
Other Postemployment Benefits Liability	80,255
Net Pension Liability	50,702
Total Liabilities	254,561
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	272,590
Other Postemployment Related Amounts	63,932
Total Deferred Inflows of Resources	336,522
NET POSITION	
Investment in Capital Assets	489,648
Unrestricted	1,534,744
Total Net Position	$ 2,024,392

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	2024
OPERATING REVENUES	
Food Sales	$ 1,224,194
State Sources	54,436
Federal Sources	1,607,470
Other Sources	13,461
Total Operating Revenues	2,899,561
OPERATING EXPENSES	
Salaries, Wages, and Benefits	1,252,935
Purchased Services	87,133
Supplies and Materials	1,839,801
Other	44,080
Depreciation	25,649
Total Operating Expenses	3,249,598
CHANGE IN NET POSITION	(350,037)
Net Position - Beginning of Year	2,374,429
NET POSITION - END OF YEAR	$ 2,024,392

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 1,234,041
Cash Received from Other Government Payments	1,702,893
Cash Payments to Employees	(1,251,394)
Cash Payments to Suppliers	(1,562,469)
Net Cash Provided by Operating Activities	123,071
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Capital Assets	(123,071)
NET INCREASE IN CASH AND CASH EQUIVALENTS	-
Cash and Cash Equivalents - Beginning of Year	1,000
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,000
RECONCILIATION OF CHANGE IN NET POSITION TO CASH PROVIDED BY OPERATING ACTIVITIES:	
Change in Net Position	$ (350,037)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:	
Depreciation	25,649
Change in Operating Assets and Liabilities	
Accounts Receivables	(3,614)
Inventories and Prepaid Items	(8,183)
Due from Other Governments	39,155
Accounts Payable	27,046
Due from/to Other Funds	389,682
Net Pension Liability and Related Deferred Outflows/Inflows	(1,674)
Net OPEB Asset and Related Deferred Outflows/Inflows	3,215
Unearned Revenue	1,832
Net Cash Provided by Operating Activities	$ 123,071

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2024

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ASSETS		
Cash and Investments	$ 11,038,868	$ 2,864,502
LIABILITIES		
Due to District Funds	487,988	-
NET POSITION		
Restricted for:		
OPEB Benefits	10,550,880	-
Stipend Benefits	-	2,864,502
Total Net Position	$ 10,550,880	$ 2,864,502

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ADDITIONS		
Investment Earnings	$ 1,391,875	$ 135,325
DEDUCTIONS		
Benefit Payments	1,924,664	1,287,190
Administrative Expenses	(12,728)	12,728
Total Deductions	1,911,936	1,299,918
CHANGE IN NET POSITION	(520,062)	(1,164,593)
Net Position - Beginning of Year	11,070,942	4,029,095
NET POSITION - END OF YEAR	$ 10,550,880	$ 2,864,502

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those accounted for in another fund. This fund includes activities associated with providing educational programs for students with disabilities.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. For report purposes, the District has combined its debt services funds into one fund.

The District has the following nonmajor governmental funds:

Special Revenue Fund

Capital Expansion Fund

Community Services Fund

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The District operates one proprietary fund:

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

Additionally, the District reports the following fiduciary fund:

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2023 tax levy is used to finance operations of the District's fiscal year ended June 30, 2024. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

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

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

3. Inventories and Prepaid Items

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

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

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Compensated Absences

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

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

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

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

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

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

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Long-Term Obligations

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

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

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

11. Use of Restricted Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Equity Classifications

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Equity Classifications (Continued)

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

NOTE 2 DEPOSITS AND INVESTMENTS

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

The carrying amount of the District's cash and investments totaled $37,438,782 on June 30, 2024 as summarized below:

Petty Cash and Cash on Hand	$ 1,000
Deposits with Financial Institutions	6,279,502
Investments:	
Wisconsin Local Government Investment Pool	16,682,520
Wisconsin Investment Series Cooperative (WISC)	573,568
US Treasuries	2,133,204
Corporate Bonds	7,458,264
State and Municipal Bonds	2,211,840
FNMA	335,255
Money Market	64,810
Fixed Income Annuities	1,698,819
Total	$ 37,438,782

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and Investments	$ 23,535,412
Fiduciary Fund Statement of Net Position	
Employee Benefit Trust	13,903,370
Total	$ 37,438,782

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

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

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of $1,000,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at June 30, 2024, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

As of June 30, 2024, the entire amount of the District's bank balance of $7,597,938 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments were uninsured and exposed to custodial credit risk as of June 30, 2024.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of June 30, 2024, the District's investments had credit ratings as follows:

	Credit Rating				
Investments	AAA/Aaa	AA+\Aa1	AA\Aa2	AA-\Aa3	A+\A1
US Treasuries	$ -	$ -	$ -	$ -	$ -
Corporate Bonds	349,654	-	340,326	891,468	820,432
State and Municipal Bonds	199,389	-	137,910	-	1,266,412
LGIP	-	-	-	-	-
WISC - Investment Class Fund	-	-	-	-	-
FNMA	-	-	-	-	-
Total	$ 549,043	$ -	$ 478,236	$ 891,468	$ 2,086,844

	Credit Rating				
Investments	A-\A3	BBB+\Baa1	BBB/Baa2	Not Defined	Total
US Treasuries	$ -	$ -	$ -	$ 2,133,204	$ 2,133,204
Corporate Bonds	362,839	1,091,651	1,504,738	1,024,492	7,458,264
State and Municipal Bonds	-	-	-	608,129	2,211,840
LGIP	-	-	-	16,682,520	16,682,520
WISC - Investment Class Fund	-	-	-	573,568	573,568
FNMA	-	-	-	335,255	335,255
Total	$ 362,839	$ 1,091,651	$ 1,504,738	$ 21,357,168	$ 29,394,651

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2024, the Wisconsin local government investment pool had a weighted average maturity of 13 days. The District's investments mature as follows:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	$ 16,682,520	$ 16,682,520	$ -	$ -	$ -
WISC Investments:					
Cash Management Series	12,953	12,953	-	-	-
Investment Series	560,615	560,615	-	-	-
U.S. Treauries	2,133,204	-	-	196,164	1,937,040
Corporate Bonds	7,458,264	-	12,243	1,896,232	5,549,790
State and Municipal Bonds	2,211,840	-	-	-	2,211,840
FNMA	335,255	-	177,865	-	157,390
Totals	$ 29,394,651	$ 17,256,088	$ 190,108	$ 2,092,396	$ 9,856,060

Concentration of Credit Risk

As of June 30, 2024, the District did not have a concentration of greater than 5% of in any individual investment.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

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

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

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

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

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

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

As of June 30, 2024, the District has the following assets subject to fair value measurement:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
WISC - Investment Class Fund	$ -	$ 573,568	$ -
US Treasuries	-	2,133,204	-
Corporate Bonds	-	7,458,264	-
State and Municipal Bonds	-	2,211,840	-
Fixed Income Annuities	-	1,698,819	-
FNMA	-	335,255	-
	$ -	$ 14,410,950	$ -

NOTE 3 CAPITAL ASSETS

Changes in the capital assets for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 13,941,655	$ 1,620,000	$ -	$ 15,561,655
Construction in Progress	431,677	353,500	431,677	353,500
Total Capital Assets, Nondepreciable	14,373,332	1,973,500	431,677	15,915,155
Capital Assets, Depreciable:				
Land Improvements	7,045,693	277,381	-	7,323,074
Buildings and Building Improvements	240,446,127	1,388,996	-	241,835,123
Machinery and Equipment	17,904,460	617,396	49,038	18,472,818
Subtotals	265,396,280	2,283,773	49,038	267,631,015
Less Accumulated Depreciation for:				
Land improvements	4,059,204	159,502	-	4,218,706
Buildings and Building Improvements	52,311,443	4,738,410	-	57,049,853
Machinery and Equipment	9,881,124	972,825	7,141	10,846,808
Subtotals	66,251,771	5,870,737	7,141	72,115,367
Total Capital Assets, Depreciable, Net	199,144,509	(3,586,964)	41,897	195,515,648
Governmental Activities Capital Assets, Net	$ 213,517,841	$ (1,613,464)	$ 473,574	211,430,803
Less: Capital Related Debt, less unspent bond proceeds				121,830,000
Less: Capital Related Premium, Net of Loss on Refunding				2,969,111
Less:Capital Related Accounts Payable				263,500
Net Investment in Capital Assets				$ 86,368,192

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Depreciable:				
Machinery and Equipment	$ 805,647	$ 123,071	$ -	$ 928,718
Less Accumulated Depreciation for:				
Machinery and Equipment	413,421	25,649	-	439,070
Total Capital Assets, Depreciable, Net	392,226	97,422	-	489,648
Business-Type Activities Capital Assets, Net	$ 392,226	$ 97,422	$ -	$ 489,648

Depreciation was charged to governmental functions as follows:

Instruction	
Regular Instruction	$ 5,283,663
Support services	
General Administrative Services	218,391
Operation and Maintenance of Plant	156,162
Pupil Transportation Services	174,948
Unallocated depreciation	37,573
Total depreciation expense - governmental activities	$ 5,870,737

NOTE 4 INTERFUNDS RECEIVABLES/PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 was as follows:

Due to/from Other Funds

	Interfund Receivables	Interfund Payables
Governmental Funds		
General	$ 8,751,177	$ 3,309,994
Debt Service Fund	-	7,965,911
Other Governmental Funds	1,539,029	37,071
Proprietary Fund		
Food Service	1,510,758	-
Fiduciary Fund		
Employee Benefit Trust	-	487,988
Totals	$ 11,800,964	$ 11,800,964

Transfers

Fund	Transfer In	Transfer Out
Governmental Funds		
General	$ 28,894	$ 2,119,723
Debt Service Fund	2,119,723	-
Special Revenue Trust	-	28,894
	$ 2,148,617	$ 2,148,617

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

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

NOTE 5 SHORT-TERM DEBT

Short-term notes payable at June 30, 2024, are as follows:

	Beginning Balance	Issued	Retired	Ending Balance
U.S. Bank National Association	$ 9,000,000	$ -	$ 9,000,000	$ -

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

Total interest on short-term debt paid during the year was $219,333.

NOTE 6 LONG-TERM LIABILITIES

Long-term obligations of the District for the year ended June 30, 2024 were as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Bonds	$ 129,205,000	$ -	$ 7,375,000	$ 121,830,000	$ 7,690,000
Notes	480,000	-	480,000	-	-
Total General Obligation Debt	129,685,000	-	7,855,000	121,830,000	7,690,000
Premium on Debt Issuance	4,089,511	-	507,971	3,581,540	-
Discount on Debt Issuance	(45,676)		(6,229)	(39,447)	-
Compensated Absences	3,624,106	116,501	688,296	3,052,311	947,974
Governmental Activities Long-Term Obligations	$ 137,352,941	$ 116,501	$ 9,045,038	$ 128,424,404	$ 8,637,974

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and taxing powers of the District. Individual general obligation long-term debt issues outstanding at June 30, 2024 and future principal and interest requirements for their retirement at that date were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/24
G.O. Refunding Bonds, Series 2015	4/8/15	9/1/34	2.65% - 4.00%	$ 25,335,000	$ 5,255,000
G.O. Corporate Purpose Bonds, Series 2017	11/21/17	4/1/37	2.00% - 5.00%	85,000,000	51,780,000
G.O. Corporate Purpose Bonds, Series 2018	11/19/18	4/1/38	3.25% - 5.00%	$ 80,000,000	48,820,000
G.O. Refunding Bonds, Series 2020	9/8/20	3/1/34	0.3% - 1.65%	16,145,000	15,975,000
Total outstanding revenue bond anticipation notes					$ 121,830,000

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2024 were as follows:

	Governmental Activities		
Year Ended June 30,	Principal	Interest	Total
2025	$ 8,395,000	$ 4,184,992	$ 12,579,992
2026	8,780,000	3,812,876	12,592,876
2027	9,130,000	3,418,982	12,548,982
2028	9,455,000	3,103,751	12,558,751
2029	9,735,000	2,811,870	12,546,870
2030-2034	53,415,000	9,511,824	62,926,824
2035-2037	22,920,000	1,507,176	24,427,176
Total	$ 121,830,000	$ 28,351,471	$ 150,181,471

Total interest on long-term debt paid during the year was $4,539,354.

Legal Debt Limit

The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is $6,762,187,398. The legal debt limit and margin of indebtedness as of June 30, 2024, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Equalized Valuation of the District	$ 6,762,187,398
Statutory Limitation Percentage	(x) 10%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	676,218,740
Outstanding General Obligation Debt Applicable to Debt Limitation	121,830,000
Legal Margin for New Debt	$ 554,388,740

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

WRS Pension Plan Description

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

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

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

Benefits Provided (Continued)

The WRS also provides death and disability benefits for employees.

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the District's reporting period ending June 30, 2024, the WRS recognized $3,814,445 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

Employee Category	Employee	Employer
General (Including Teachers, Executives and Elected Officials)	6.90 %	6.90 %

Postretirement Adjustments

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

Year Ended June 30,	Core Fund Adjustment %	Variable Fund Adjustment %
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

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

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

At June 30, 2024, the District reported a liability of $4,017,310 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.27019736%, which was an increase of 0.01169314% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $2,728,837.

At June 30, 2024, 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	$ 16,197,756	$ 21,454,027
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	13,999,674	-
Changes in Assumptions	1,751,030	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,628	144,419
Employer Contributions Subsequent to the Measurement Date	2,334,632	-
Total	$ 34,294,720	$ 21,598,446

The $2,334,632 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in the year ended June 30, 2025. 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,	Expense
2025	$ 2,105,758
2026	2,213,120
2027	8,750,172
2028	(2,707,408)
Total	$ 10,361,642

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

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability:	December 31, 2023
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:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

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

Long-Term Expected Return on Plan Assets (Continued)

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	40.0 %	7.3 %	4.5 %
Public Fixed Income	27.0	5.8 %	3.0 %
Inflation Sensitive Assets	19.0	4.4 %	1.7 %
Real Estate	8.0	5.8 %	3.0 %
Private Equity/Debt	18.0	9.6 %	6.7 %
Leverage	(12.0)	3.7 %	1.0 %
Total Core Fund	100.0 %	7.4 %	4.6 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.8 %	4.0 %
International Equities	30.0	7.6 %	4.8 %
Total Variable Fund	100.0 %	7.3 %	4.5 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.7%

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

The investment policy used for the Core Fund invoices reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation targe of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (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, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	$ 38,829,247	$ 4,017,310	$ (20,342,074)

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

Payables to the Pension Plan

The District reported a payable to WRS of $1,037,071 as of June 30, 2024.

NOTE 8 SUPPLEMENTAL PENSION PLAN

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

Benefits Provided

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

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2024 and 2023, the plan has no legally-required reserves or designations, other than the net position of $2,864,502 and $4,029,095, respectively.

As of July 1, 2024, (the date used for participant data in the most recent actuarial valuation), the District had 68 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 152 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a net supplemental pension liability of $7,463,077 The net supplemental pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. For the year ended June 30, 2024, the District recognized pension expense of $1,191,823.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,345,239	$ -
Changes in Assumptions	677	56,073
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	635,706	11,801
Total	$ 1,981,622	$ 67,874

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Such amounts will be recognized in pension expense as follows:

Year Ended June 30,	Expense
2025	$ 790,573
2026	805,937
2027	317,254
2028	(16)
2029	-
Thereafter	-
Total	$ 1,913,748

Actuarial Assumptions

The total supplemental pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2024
Measurement Date of Net Pension Liability (Asset)	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	4.00%
Discount Rate	4.00%
Salary Increases	3.00%
Inflation	2.00%
Mortality	WRS 2018-20 Experience Mortality Rates - Healthy Lives Table
Termination	WRS 2018-20 Public School Withdrawal Experience Table

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

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

Changes in Net Supplemental Pension Liability

Component	Total Pension Liability (a)	Change in Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Total Pension Liability at July 1, 2023	$ 10,946,350	$ 4,029,095	$ 6,917,255
Changes for the Year:			
Service Cost	246,451	-	246,451
Interest	421,968	-	421,968
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions or Other Input	-	-	-
Benefit Payments	(1,287,190)	(1,287,190)	-
Net Investment Income	-	135,325	(135,325)
Administrative Expenses	-	(12,728)	12,728
Total Pension Liability at June 30, 2024	$ 10,327,579	$ 2,864,502	$ 7,463,077

Single Discount Rate

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

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

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

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total Pension Liability	$ 6,974,693	$ 7,463,077	$ 7,969,045

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN

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

Benefits Provided

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

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2024 and 2023, the plan has no legally-required reserves or designations, other than the net position of $10,551,023 and $11,070,942, respectively.

As of July 1, 2024, (the date of the most recent actuarial valuation), the District had 34 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 824 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Investments

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

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

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

Investments (Continued)

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

As of June 30, 2024, the District's policy does not define asset allocation with defined target allocations.

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 0.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

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

At June 30, 2024, the District reported a net OPEB liability of $3,3,741,651. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2024. For the year ended June 30, 2024, the District recognized OPEB expense of $1,148,424.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 3,523,106	$ 2,786,755
Changes in Assumptions	1,243,239	366,892
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,060,937	128,595
Total	$ 6,827,282	$ 3,282,242

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

Such amounts will be recognized in OPEB expense as follows:

Year Ended June 30,	Expense
2025	$ 682,335
2026	732,923
2027	40,419
2028	162,874
2029	195,024
Thereafter	1,731,465
Total	$ 3,545,040

Single Discount Rate

A single discount rate of 4.63% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on pension plan investments of 5.31%. This expected rate of return was based on a high-quality municipal bond rate of 1.92%. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2024
Measurement Date of Net OPEB Asset	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	5.31%
Discount Rate	4.63
Salary Increases	3.00%
Inflation	2.75%
Medical Care Cost Trend	Medical care trend rate, using Getzen Model of 7.50% to 4.50%
Mortality	WRS 2018-20 Experienced Mortality Rates Table
Termination	WRS 2018-20 Public School Withdrawal Experience Table

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

Sources of changes in Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Change in Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at July 1, 2022	$ 12,119,558	$ 11,070,943	$ 1,048,615
Changes for the Year:			
Service Cost	649,593	-	649,593
Interest	490,289	-	490,289
Contributions - Employer	-	1,000,000	(1,000,000)
Differences Between Expected and Actual Experience	1,613,921	-	1,613,921
Changes of Assumptions or Other Input	1,157,176	-	1,157,176
Benefit Payments	(1,737,863)	(1,737,863)	-
Net Investment Income	-	240,571	(240,571)
Administrative Expenses	-	(22,628)	22,628
Net Changes	2,173,116	(519,920)	2,693,036
Balance at June 30, 2023	$ 14,292,674	$ 10,551,023	$ 3,741,651

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

The following presents the net OPEB asset of the district calculated using the discount rate of 4.63%, as well as what the district's net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower (3.63%) or one percentage-point higher (5.63%) than the current rate:

	1% Decrease to Discount Rate (3.63%)	Current Discount Rate (4.63%)	1% Increase to Discount Rate (5.63%)
Total OPEB Liability	$ 4,302,493	$ 3,741,651	$ 2,284,272

The following presents the net OPEB asset of the District calculated using the healthcare trend rate of 7.50% decreasing to 4.50%, as well as what the District's net OPEB asset would be if it were calculated using a healthcare trend rate that is one percentage-point lower (6.50% decreasing to 3.50%) or one percentage-point higher (8.50% decreasing to 5.50%) than the current rate:

	1% Decrease (6.50% Decreasing to 3.50%)	Health Care Cost Trend Rates (7.50% Decreasing to 4.50%)	1% Increase (8.50% Decreasing to 5.50%)
Total OPEB Liability	$ 3,237,323	$ 3,741,651	$ 3,270,491

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

Plan Description

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

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

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

Benefits Provided

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

Contributions

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

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

Contribution rates as of June 30, 2023 are:

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

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

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance
Member Contribution Rates
For the Year Ended December 31, 2023

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

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

During the year ending June 30, 2024, contributions to the LRIF from the District were not material to these financial statements.

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

At June 30, 2024, the District reported a liability of $1,758,306 for its proportionate share of the net LRLIF liability. The net LRLIF liability was measured as of December 31, 2023, and the total LRLIF liability used to calculate the net LRLIF liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net LRLIF liability was based on the District's share of contributions to the LRLIF plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.38218600%, which was a decrease of 0.01088900% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized LRLIF expense (revenue) of $90,132.

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

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to LRLIF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 155,615
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	23,754	-
Changes in Assumptions	550,012	692,383
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,587	181,040
Total	$ 585,353	$ 1,029,038

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

Year Ended June 30,	Expense
2025	$ (55,325)
2026	(35,475)
2027	(104,167)
2028	(143,456)
2029	(118,689)
Thereafter	13,427
Total	$ (443,685)

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

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

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

Long-Term Expected Return on Plan Assets (Continued)

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return Percent
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40.0 %	2.32%
U.S. Mortgages	Bloomberg US MBS	60.0 %	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.26% as of December 31, 2022 to 3.72% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

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

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

The following presents the District's proportionate share of the net LRLIF liability calculated using the discount rate of 3.32%, as well as what the District's proportionate share of the net LRLIF liability would be if it were calculated using a discount rate that is one percentage point lower (2.32%) or one percentage point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
District's Proportionate Share of the Net OPEB Liability	$ 2,362,529	$ 1,758,306	$ 1,297,088

NOTE 11 FUND BALANCE AND NET POSITION

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2024, nonspendable fund balance was as follows:

General Fund	
Prepaid Items	$ 260,245

NOTE 11 FUND BALANCE AND NET POSITION (CONTINUED)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2024, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
Community Service	$ 937,282
Scholarships	94,706
Student Organizations	321,055
Special Projects	1,173,017
Debt Service Funds	
Restricted for	
Debt Service	5,664,462
Capital Projects Fund	
Restricted for	
Capital Expansion	2,236,497
Total Restricted Fund Balance	$ 10,427,019

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by the District. At June 30, 2024, fund balance was assigned as follows:

General Fund	
Committed for	
Self-Funded Insurance	$ 42,569

NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recognized by the District as a reservation of fund balance. As of June 30, 2024, there are no material encumbrances outstanding.

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

NOTE 13 BUDGETARY INFORMATION

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

NOTE 14 LIMITATION OF SCHOOL DISTRICT REVENUES

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

This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

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

NOTE 15 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2024:

Funds	Excess Expenditures
General Fund	
Instruction:	
Vocational Instruction	$ 54,264
Other Instruction	812,591
Support Services:	
Pupil Services	112,501
General Administration Services	203,142
School Administration Services	346,009
Business Services	300,026
Operations and Maintenance of Plant	117,539
Nonprogram:	
General Tuition Payments	8,049
Adjustments and Refunds	51,977
Special Education Fund	
Instruction:	
Regular Instruction	2,288
Special Education Instruction	348,833
Support Services:	
Pupil Services	95,697
Instructional Staff Services	75,330
Pupil Transportation Services	330,799
Nonprogram:	
Special Education Tuition Payments	146,594

NOTE 16 RISK MANAGEMENT

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

NOTE 17 SUBSEQUENT EVENTS

On September 23, 2024 the District authorized issuing a $3,200,000 Tax and Revenue Anticipation Promissory Note.

On November 18, 2024 the District authorized issuing a $7,000,000 Tax and Revenue Anticipation Promissory Note for cash flow purposes.

REQUIRED SUPPLEMENTARY INFORMATION

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property Taxes	$ 60,584,273	$ 60,584,273	$ 60,574,273	$ (10,000)
Other Local Sources	627,641	627,641	1,648,735	1,021,094
Interdistrict Sources	1,499,558	1,499,558	1,716,700	217,142
Intermediate Sources	-	-	35,451	35,451
State Sources	31,987,721	31,987,721	32,881,438	893,717
Federal Sources	2,466,606	2,466,606	3,320,208	853,602
Other Sources	174,350	174,350	207,521	33,171
Total Revenues	97,340,149	97,340,149	100,384,326	3,044,177
EXPENDITURES				
Instruction:				
Regular Instruction	34,269,496	35,406,102	34,800,911	605,191
Vocational Instruction	2,199,631	2,199,631	2,253,895	(54,264)
Other Instruction	7,913,909	8,044,876	8,857,467	(812,591)
Total Instruction	44,383,036	45,650,609	45,912,273	(261,664)
Support Services:				
Pupil Services	3,261,752	3,261,752	3,374,253	(112,501)
Instructional Staff Services	5,119,055	6,495,498	6,384,010	111,488
General Administration Services	2,406,295	2,406,295	2,609,437	(203,142)
School Administration Services	4,779,711	4,791,861	5,137,870	(346,009)
Business Services	1,065,472	1,065,472	1,365,498	(300,026)
Operations and Maintenance of Plant	10,979,499	10,979,499	11,097,038	(117,539)
Pupil Transportation Services	3,477,452	3,479,593	3,320,002	159,591
Central Services	800,937	800,937	749,060	51,877
Insurance	713,978	1,101,478	1,044,466	57,012
Other Support Services	1,846,438	1,846,438	1,641,252	205,186
Total Support Services	34,450,589	36,228,823	36,722,886	(494,063)
Nonprogram:				
General Tuition Payments	1,529,200	1,529,200	1,537,249	(8,049)
Adjustments and Refunds	-	-	51,977	(51,977)
Voucher Payments	550,068	550,068	537,207	12,861
Total Nonprogram	2,079,268	2,079,268	2,126,433	(47,165)
Total Expenditures	80,912,893	83,958,700	84,761,592	(802,892)
EXCESS OF REVENUES OVER EXPENDITURES	16,427,256	13,381,449	15,622,734	2,241,285
OTHER FINANCING USES				
Proceeds from Sale of Capital Assets	-	-	52,500	52,500
Transfers In	-	-	28,894	28,894
Transfers Out	(16,427,256)	(11,979,569)	(12,336,333)	(356,764)
Total Other Financing Uses	(16,427,256)	(11,979,569)	(12,254,939)	(275,370)
NET CHANGE IN FUND BALANCE	-	1,401,880	3,367,795	1,965,915
Fund Balance - Beginning of Year	28,657,794	28,657,794	28,657,794	-
FUND BALANCE - END OF YEAR	$ 28,657,794	$ 30,059,674	$ 32,025,589	$ 1,965,915

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interdistrict Sources	$ -	$ -	$ 23,164	$ 23,164
State Sources	4,093,612	4,093,612	4,253,471	159,859
Federal Sources	1,093,059	1,093,059	1,518,406	425,347
Total Revenues	5,186,671	5,186,671	5,795,041	608,370
EXPENDITURES				
Instruction:				
Regular Instruction	87,687	87,687	89,975	(2,288)
Special Education Instruction	9,998,418	9,998,418	10,347,251	(348,833)
Total Instruction	10,086,105	10,086,105	10,437,226	(351,121)
Support Services:				
Pupil Services	2,708,081	2,708,081	2,803,778	(95,697)
Instructional Staff Services	1,423,674	1,423,674	1,499,004	(75,330)
Operations and Maintenance of Plant	29,705	29,705	80	29,625
Pupil Transportation Services	669,156	669,156	999,955	(330,799)
Other Support Services	4,880	4,880	100	4,780
Total Support Services	4,835,496	4,835,496	5,302,917	(467,421)
Nonprogram:				
Special Education Tuition Payments	124,914	124,914	271,508	(146,594)
Total Expenditures	15,046,515	15,046,515	16,011,651	(965,136)
EXCESS OF REVENUES UNDER EXPENDITURES	(9,859,844)	(9,859,844)	(10,216,610)	(356,766)
OTHER FINANCING SOURCES				
Transfers Out	9,859,844	9,859,844	10,216,610	356,766
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Required Supplementary Information.

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

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.25150271%	$ (6,177,595)	$ 34,790,332	17.76%	102.74%
12/31/15	0.24705970%	4,057,674	35,396,734	11.46%	98.20%
12/31/16	0.24936066%	2,055,327	36,135,268	5.69%	99.12%
12/31/17	0.25007170%	(7,424,925)	37,185,567	19.97%	102.93%
12/31/18	0.25011012%	8,898,134	38,323,393	23.22%	96.45%
12/31/19	0.24958682%	(8,047,818)	39,829,301	20.21%	102.96%
12/31/20	0.24854244%	(15,516,849)	41,000,852	37.85%	105.26%
12/31/21	0.25320487%	(20,608,778)	44,725,996	46.08%	106.02%
12/31/22	0.25850422%	13,694,787	48,012,619	28.52%	95.72%
12/31/23	0.27019736%	4,017,310	54,288,784	7.40%	98.85%

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

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	$ 2,435,430	$ 2,435,430	$ -	$ 34,790,332	6.88%
6/30/16	2,407,339	2,407,339	-	35,396,734	6.80%
6/30/17	2,388,444	2,388,444	-	36,135,268	6.61%
6/30/18	2,531,293	2,531,293	-	37,185,567	6.81%
6/30/19	2,568,454	2,568,454	-	38,323,393	6.70%
6/30/20	2,608,883	2,608,883	-	39,829,301	6.55%
6/30/21	2,885,164	2,885,164	-	42,743,171	6.75%
6/30/22	3,041,684	3,041,684	-	46,098,847	6.60%
6/30/23	3,433,772	3,433,772	-	47,112,283	7.29%
6/30/24	3,814,445	3,814,445	-	54,288,785	7.03%

See accompanying Notes to Required Supplementary Information.

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

	2024	2023	2022	2021	2020	2019
Total Pension Liability:						
Service Cost	$ 246,451	$ 289,847	$ 278,699	$ 350,929	$ 337,432	$ 483,754
Interest on Total Pension Liability	421,968	388,317	423,512	415,005	440,066	481,836
Changes of Benefit Terms	-	-	-	-	-	(214,790)
Differences Between Expected and Actual Experience	-	1,604,547	-	1,116,313	-	71,851
Changes in Assumptions	-	1,129	-	-	-	(392,513)
Benefit Payments	(1,287,190)	(1,511,147)	(1,675,304)	(1,519,406)	(1,315,609)	(1,340,550)
Net Change in Total Pension Liability	(618,771)	772,693	(973,093)	362,841	(538,111)	(910,412)
Total Pension Liability - Beginning	10,946,350	10,173,657	11,146,750	10,783,909	11,322,020	12,232,432
Total Pension Liability - Ending	10,327,579	10,946,350	10,173,657	11,146,750	10,783,909	11,322,020
Plan Fiduciary Net Position						
Contributions - Employer	-	-	-	-	-	-
Net Investment Income (Loss)	135,325	203,048	(1,216,187)	201,591	1,195,956	1,116,792
Benefit Payments	(1,287,190)	(1,511,147)	(1,675,304)	(1,519,406)	(1,315,609)	(1,340,550)
Administrative Expenses	(12,728)	(16,387)	(33,493)	(17,419)	(20,741)	(20,705)
Net Change in Fiduciary Net Position	(1,164,593)	(1,324,486)	(2,924,984)	(1,335,234)	(140,394)	(244,463)
Plan Fiduciary Net Position - Beginning	4,029,095	5,353,581	8,278,565	9,616,799	9,754,193	9,998,656
Plan Fiduciary Net Position - Ending	2,864,502	4,029,095	5,353,581	8,281,565	9,613,799	9,754,193
Net Pension (Asset) Liability	$ 7,463,077	$ 6,917,255	$ 4,820,076	$ 2,865,185	$ 1,170,110	$ 1,567,827
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	27.74%	36.81%	52.62%	74.30%	89.15%	86.15%
Covered-Employee Payroll	12,756,173	12,756,173	13,327,916	13,327,916	27,229,528	27,229,528
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	58.51%	54.23%	36.17%	21.50%	4.30%	5.76%

See accompanying Notes to Required Supplementary Information.

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

	2018	2017	2016	2015
Total Pension Liability:				
Service Cost	$ 465,148	$ 645,412	$ 620,588	$ 651,616
Interest on Total Pension Liability	477,735	486,577	502,764	503,901
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	78,574	-	554
Changes in Assumptions	-	129,069	-	-
Benefit Payments	(1,294,945)	(1,821,255)	(1,245,214)	(1,120,257)
Net Change in Total Pension Liability	(352,062)	(481,623)	(121,862)	35,814
Total Pension Liability - Beginning	12,584,494	13,066,117	13,187,979	13,152,165
Total Pension Liability - Ending	12,232,432	12,584,494	13,066,117	13,187,979
Plan Fiduciary Net Position				
Contributions - Employer	-	-	-	14,308,236
Net Investment Income (Loss)	17,695	(41,561)	1,284,962	-
Benefit Payments	(1,294,945)	(1,821,255)	(1,245,214)	(1,120,257)
Administrative Expenses	(24,472)	(28,299)	(36,234)	-
Net Change in Fiduciary Net Position	(1,301,722)	(1,891,115)	3,514	13,187,979
Plan Fiduciary Net Position - Beginning	11,300,378	13,191,493	13,187,979	-
Plan Fiduciary Net Position - Ending	9,998,656	11,300,378	13,191,493	13,187,979
Net Pension (Asset) Liability	$ 2,233,776	$ 1,284,116	$ (125,376)	$ -
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	81.74%	89.80%	100.96%	100.00%
Covered-Employee Payroll	20,401,347	17,667,496	21,030,020	21,339,399
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	10.95%	7.27%	-0.60%	0.00%

See accompanying Notes to Required Supplementary Information.

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

	2024	2023	2022	2021	2020
Total OPEB Liability:					
Service Cost	$ 649,593	$ 690,688	$ 668,235	$ 723,856	$ 698,434
Interest on Total OPEB Liability	490,289	362,072	379,356	466,475	499,018
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	1,613,921	2,661,914	649,015	(2,200,998)	127,094
Changes of Assumptions	1,157,176	(427,863)	-	192,019	-
Benefit Payments	(1,737,863)	(2,015,401)	(2,292,169)	(1,635,187)	(2,145,507)
Net Change in Total OPEB Liability	2,173,116	1,271,410	(595,563)	(2,453,835)	(820,961)
Total OPEB Liability - Beginning	12,119,558	10,848,148	11,443,711	13,897,546	14,718,507
Total OPEB Liability - Ending	14,292,674	12,119,558	10,848,148	11,443,711	13,897,546
Plan Fiduciary Net Position:					
Contributions - Employer	$ -	$ -	$ -	$ -	$ -
Net Investment Income (Loss)	240,571	(2,015,401)	(3,240,607)	358,122	2,126,146
Benefit Payments	(737,863)	(40,381)	(2,292,169)	(1,635,187)	(2,145,507)
Adjustment	-	-	-	(363,979)	-
Administrative Expenses	(22,628)	(29,134)	(59,543)	(30,966)	(36,872)
Net Change in Fiduciary Net Position	(519,920)	(2,084,916)	(5,592,319)	(1,672,010)	(56,233)
Plan Fiduciary Net Position - Beginning	11,070,943	13,155,859	18,748,178	20,420,188	20,476,421
Plan Fiduciary Net Position - Ending	10,551,023	11,070,943	13,155,859	18,748,178	20,420,188
Net OPEB (Asset) Liability	$ 3,741,651	$ 1,048,615	$ (2,307,711)	$ (7,304,467)	$ (6,522,642)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.82%	91.35%	121.27%	163.83%	146.93%
Covered-Employee Payroll	46,854,338	16,126,258	41,686,152	38,101,039	34,197,160
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	7.99%	6.50%	-5.54%	-19.17%	-19.07%
District's Actuarially Determined Contributions	$ 1,148,424	$ 690,688	$ 668,235	$ 723,856	$ 698,434
District Contributions in Relation to the Actuarially Determined Contributions	1,000,000	-	-	-	-
Contribution Deficiency (Excess)	148,424	690,688	668,235	723,856	698,434
District's Covered-Employee Payroll	46,854,338	46,126,258	41,686,152	38,101,039	34,197,160
District's Contributions as a Percentage of Covered-Employee Payroll	2.13%	0.00%	0.00%	0.00%	0.00%

See accompanying Notes to Required Supplementary Information.

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

	2019	2018	2017
Total OPEB Liability:			
Service Cost	$ 864,836	$ 929,473	$ 795,916
Interest on Total OPEB Liability	710,352	720,954	807,791
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(3,300,138)	431,790	(1,154,478)
Changes of Assumptions	238,277	-	(545,607)
Benefit Payments	(1,681,396)	(2,148,242)	(2,699,778)
Net Change in Total OPEB Liability	(3,168,069)	(66,025)	(2,796,156)
Total OPEB Liability - Beginning	17,886,576	17,952,601	20,748,757
Total OPEB Liability - Ending	14,718,507	17,886,576	17,952,601
Plan Fiduciary Net Position:			
Contributions - Employer	$ -	$ -	$ -
Net Investment Income (Loss)	1,985,409	31,394	(76,611)
Benefit Payments	(1,681,396)	(2,148,242)	(2,699,778)
Adjustment	-	-	-
Administrative Expenses	(36,808)	(45,382)	(50,526)
Net Change in Fiduciary Net Position	267,205	(2,162,230)	(2,826,915)
Plan Fiduciary Net Position - Beginning	20,209,216	22,371,446	25,198,361
Plan Fiduciary Net Position - Ending	20,476,421	20,209,216	22,371,446
Net OPEB (Asset) Liability	$ (5,757,914)	$ (2,322,640)	$ (4,418,845)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	139.12%	112.99%	124.61%
Covered-Employee Payroll	33,201,126	20,401,347	20,482,131
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	-17.34%	-11.38%	-21.57%
District's Actuarially Determined Contributions	$ 864,836	$ 929,473	$ 795,916
District Contributions in Relation to the Actuarially Determined Contributions	-	-	-
Contribution Deficiency (Excess)	864,836	929,473	795,916
District's Covered-Employee Payroll	33,201,126	32,234,103	31,295,246
District's Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%

See accompanying Notes to Required Supplementary Information.

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

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.43910900%	$ 1,321,095	$ 18,465,790	-7.15%	44.81%
12/31/18	0.46553900%	1,201,248	22,137,000	5.43%	48.69%
12/31/19	0.45734700%	1,947,473	20,832,000	-9.35%	37.58%
12/31/20	0.42701900%	2,348,913	19,561,000	-12.01%	31.36%
12/31/21	0.39758300%	2,349,862	19,842,000	-11.84%	29.57%
12/31/22	0.39307500%	1,497,548	19,733,000	-7.59%	38.81%
12/31/23	0.38218600%	1,758,306	19,687,000	-8.93%	33.90%

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

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/18	$ 8,969	$ 8,969	$ -	$ 22,137,000	0.04%
6/30/19	8,267	8,267	-	20,832,000	0.04%
6/30/20	8,515	8,515	-	19,842,000	0.04%
6/30/21	8,137	8,137	-	19,842,000	0.04%
6/30/22	8,137	8,137	-	19,733,000	0.04%
6/30/23	7,856	7,856	-	19,800,000	0.04%
6/30/24	9,742	9,742	-	24,355,000	0.04%

See accompanying Notes to Required Supplementary Information.

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Retiree Medical

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

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

Local Retiree Life Insurance Fund

Changes of Benefit Terms

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

Changes of Assumptions

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

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

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

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

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

The amounts reported 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 fiscal years of data; however accounting standards allow the presentation of as many years are available until ten fiscal years are presented.

NOTE 2 PENSION BENEFITS

Wisconsin Retirement System

Changes of Benefit Terms

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

Changes of Assumptions

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

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

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

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

Supplemental Pension

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

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

NOTE 3 BUDGETARY INFORMATION

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

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

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

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

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

Excess of Expenditures Over Budget

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

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	Community Service	Special Revenue Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 555,444	$ 528,962	$ 2,499,997	$ 3,584,403
Receivables:				
Accounts	5,699	-	-	5,699
Due from Other Funds	423,006	1,113,883	-	1,536,889
Due from Employee Benefit Trust Fund	2,140	-	-	2,140
Total Assets	$ 986,289	$ 1,642,845	$ 2,499,997	$ 5,129,131
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 49,007	$ 16,996	$ 263,500	$ 329,503
Due to Other Funds	-	37,071	-	37,071
Total Liabilities	49,007	54,067	263,500	366,574
FUND BALANCES				
Restricted	937,282	1,588,778	2,236,497	4,762,557
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 986,289	$ 1,642,845	$ 2,499,997	$ 5,129,131

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Community Service	Special Revenue Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	$ 956,638	$ -	$ 1,000,000	$ 1,956,638
Other Local Sources	527,344	1,563,253	130,207	2,220,804
Other Sources	-	37,718	-	37,718
Total Revenues	1,483,982	1,600,971	1,130,207	4,215,160
EXPENDITURES				
Instruction:				
Regular Instruction	-	646,768	-	646,768
Vocational Instruction	-	19,604	-	19,604
Other Instruction	-	822,621	-	822,621
Total Instruction	-	1,488,993	-	1,488,993
Support Services:				
Instructional Staff Services	-	85	-	85
School Administration Services	293,717	251	-	293,968
Operations and Maintenance of Plant	114,074	-	1,630,336	1,744,410
Pupil Transportation Services	-	50,008	-	50,008
Other Support Services	-	67,888	-	67,888
Total Support Services	407,791	118,232	1,630,336	2,156,359
Community Service	1,249,469	-	-	1,249,469
Total Expenditures	1,657,260	1,607,225	1,630,336	4,894,821
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(173,278)	(6,254)	(500,129)	(679,661)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(28,894)	-	(28,894)
NET CHANGE IN FUND BALANCES	(173,278)	(35,148)	(500,129)	(708,555)
Fund Balances - Beginning of Year	1,110,560	1,623,926	2,736,626	5,471,112
FUND BALANCES - END OF YEAR	$ 937,282	$ 1,588,778	$ 2,236,497	$ 4,762,557

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2024

Operating Activity	WUFAR Object Code	Cost
Employee Salaries	100	$ 11,768
Employee Benefits	200	2,526
		$ 14,294

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
ANALYSIS OF LOCAL LEVY
JUNE 30, 2024

	2022 Taxes Receivable July 1, 2023	Total 2023 Levy	Collections	2023 Taxes Receivable June 30, 2024
City of Fitchburg	$ 5,612,182	$ 22,009,149	$ (20,868,890)	$ 6,752,441
City of Verona	15,168,535	42,792,121	(41,105,924)	16,854,732
Town of Verona	1,276,020	5,398,823	(5,092,286)	1,582,557
City of Madison	442,533	2,610,673	(2,564,292)	488,914
Town of Springdale	375,320	1,611,439	(1,531,707)	455,052
Town of Montrose	106,915	439,425	(414,368)	131,972
Town of Middleton	57,557	235,998	(226,472)	67,083
Total	$ 23,039,062	$ 75,097,628	$ (71,803,939)	$ 26,332,751

OTHER INDEPENDENT AUDITORS' REPORT

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

Board of Education
Verona Area School District
Verona, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Verona Area School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 26, 2024

FEDERAL AND STATE AWARDS

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

Board of Education
Verona Area School District
Verona, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Verona Area School District (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

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.

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Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

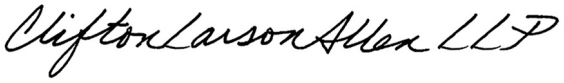
Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
November 26, 2024

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Grantor Agency/Federal Program Title/Cluster	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/24	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Child Nutrition Cluster								
School Breakfast Program	10.553	WI DPI	2023-135901-DPI-SB-546	$ (21,464)	$ 21,464	$ -	$ -	$ -
School Breakfast Program	10.553	WI DPI	2024-135901-DPI-SB-546	-	373,306	16,031	389,337	-
Total School Breakfast Program				(21,464)	394,770	16,031	389,337	-
National School Lunch Program	10.555	WI DPI	2023-135901-DPI-NSL-547	(35,434)	35,434	-	-	-
National School Lunch Program	10.555	WI DPI	2024-135901-DPI-NSL-547	-	973,300	-	973,300	-
National School Snack Program	10.555	WI DPI	2023-135901-DPI-SK_NSL-561	(348)	348	-	-	-
National School Snack Program	10.555	WI DPI	2024-135901-DPI-SK_NSL-561	-	1,163	2,060	3,223	-
Donated Commodities 23-24	10.555	WI DPI	Unknown	-	241,610	-	241,610	-
Total National School Lunch Program				(35,782)	1,251,855	2,060	1,218,133	-
Total U.S. Department of Agriculture and Child Nutrition Cluster				(57,246)	1,646,625	18,091	1,607,470	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2024-135901-DPI-TIA-141	-	483,798	23,755	507,553	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2024-135901-DPI-CSI-148	-	-	8,460	8,460	
Title I Grants to Local Educational Agencies	84.010	WI DPI	IMPL	-	26,217	-	26,217	-
Total Title I Grants to Local Educational Agencies				-	510,015	32,215	542,230	-
Special Education Cluster (IDEA)								
Special Education Grants to States	84.027A	WI DPI	2023-135901-DPI-FLOW-341	(1,295,217)	1,295,217	-	-	-
Special Education Grants to States	84.027A	WI DPI	2024-135901-DPI-FLOW-341	-	-	1,079,593	1,079,593	-
Special Education Grants to States - CEIS	84.027	WI DPI	2023-135901-DPI-FLOW-344	(12,643)	12,643	-	-	-
Special Education Grants to States - CEIS	84.027	WI DPI	2024-135901-DPI-FLOW-344	-	-	227,067	227,067	-
Special Education Preschool Grants	84.173	WI DPI	2023-135901-DPI-PRESCH-347	(30,458)	30,458	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2024-135901-DPI-PRESCH-347	-	-	31,736	31,736	-
Total Special Education Cluster (IDEA)				(1,338,318)	1,338,318	1,338,396	1,338,396	-

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Grantor Agency/Federal Program Title/Cluster	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/24	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
Carl Perkins Grant	84.048	Oregon School District	2024-135901-DPI-CTE-400	$ (20,824)	$ 40,272	$ 22,132	$ 41,580	$ -
English Language Acquisition State Grants	84.365	WI DPI	2023-135901-DPI-TIIA-391	(113,544)	113,544	-	-	-
English Language Acquisition State Grants	84.365	WI DPI	2024-135901-DPI-TIIA-391	-	120,059	-	120,059	-
Improving Teacher Quality State Grants	84.367	WI DPI	2023-135901-DPI-TIIA-365	(78,627)	78,627	-	-	-
Improving Teacher Quality State Grants	84.367	WI DPI	2024-135901-DPI-TIIA-365	-	71,251	129,958	201,209	-
Title IV-A-Student Support and Academic Enrichment Grants	84.424	WI DPI	2023-135901-DPI-TIVA-381	(29,662)	29,662	-	-	-
Title IV-A-Student Support and Academic Enrichment Grants	84.424	WI DPI	2024-135901-DPI-TIVA-381	-	-	13,270	13,270	-
COVID - 19 Elementary and Secondary School Emergency Relief Fund	84.425U	WI DPI	2022-135901-DPI-ESSERFIII-165	-	1,841,558	-	1,841,558	-
COVID - 19 Elementary and Secondary School Emergency Relief Fund	84.425U	WI DPI	2022-135901-DPI-ESSERFIII-165	-	91,343	-	91,343	-
COVID - 19 Elementary and Secondary School Emergency Relief Fund	84.425W	WI DPI	2022-135901-DPI-ARPHCYII-173	-	-	62,225	62,225	-
Total Elementary and Secondary School Emergency Relief Fund				-	1,932,901	62,225	1,995,126	-
Total U.S. Department of Education				(1,580,975)	4,234,649	1,598,196	4,251,870	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medical Assistance Program	93.778	WI DHS	44220000	(114,400)	660,128	82,596	628,324	-
Total Medicaid Cluster								
Total U.S. Department of Health and Human Services				(114,400)	660,128	82,596	628,324	-
Total Federal Awards				$ (1,752,621)	$ 6,541,402	$ 1,698,883	$ 6,487,664	$ -

Reconciliation to the Basic Financial Statements:	
Governmental Funds	
Federal Sources	$ 4,838,614
Proprietary Funds	1,607,470
Federal Sources not considered Federal Financial Assistance	41,580
Total Expenditures of Federal Awards	$ 6,487,664

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2024

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/23	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/24	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	051414-100	$ -	$ 4,087,657	$ -	$ 4,087,657	$ -
State School Lunch Aid	255.102	Direct Program	051414-107	-	25,538	-	25,538	-
Common School Fund Library Aid	255.103	Direct Program	051414-104	-	399,085	-	399,085	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	051414-111	-	244,732	-	244,732	-
General Transportation Aid	255.107	Direct Program	051414-102	-	202,031	-	202,031	-
Equalization Aids	255.201	Direct Program	051414-116	-	25,439,301	-	25,439,301	-
High Cost Special Education Aid	255.210	Direct Program	051414-119	-	165,814	-	165,814	-
Aid For School Mental Health Programs	255.227	Direct Program	051414-176	-	186,166	-	186,166	-
School Based Mental Health Services Grant	255.297	Direct Program	051414-177	-	260,944	-	260,944	-
State School Breakfast Aid	255.344	Direct Program	051414-108	-	28,898	-	28,898	-
Student Achievement Guarantee in Education (SAGE)	255.504	Direct Program	051414-160	-	1,014,807	-	1,014,807	-
Early College Credit Program	255.445	Direct Program	051414-178	-	233	-	233	-
Educator Effective Evaluation System	255.940	Direct Program	051414-154	-	40,880	-	40,880	-
Per Pupil Aid	255.945	Direct Program	051414-113	-	4,175,234	-	4,175,234	-
Career and Technical Education Incentive Grants	255.950	Direct Program	051414-171	-	42,823	-	42,823	-
Assessments of Reading Readiness	255.956	Direct Program	051414-166	-	21,992	-	21,992	-
Total State Programs				$ -	$ 36,336,135	$ -	$ 36,336,135	$ -

Reconciliation to the Basic Financial Statements:	
Governmental Funds	
State Sources	$ 37,134,909
Proprietary Funds	54,436
Less: State Sources not considered State Financial Assistance	
State Tax Computer Aid	(847,965)
Payment in Lieu of Taxes	(5,245)
Total Expenditures of State Awards	$ 36,336,135

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Verona Area School District are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2024 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

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

NOTE 3 FOOD DISTRIBUTION

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

NOTE 4 OVERSIGHT AGENCY

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

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

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

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

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

Federal Awards

1. Internal control over major federal programs:

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

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

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

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

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
	Special Education Cluster:
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.425	Elementary and Secondary Emergency Education Relief Fund

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

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

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

Identification of Major State Programs

State ID Number(s)	Name of State Program or Cluster
255.101	State Special Education Aid
255.201	Equalization Aid
255.297	School-Based Mental Health
255.504	Student Achievement Guarantee in Education (SAGE)

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

State Awards $ 1,000,000

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

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

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

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

Our audit did not disclose any matters required to be reported in accordance with Uniform Guidance and *State Single Audit Guidelines*.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section IV – Other Issues

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

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

Department of Health Services	No
Department of Public Instruction	No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of partner

   Amber Drewieske, CPA

5. Date of report November 26, 2024



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