



To the Board of Education
School District of Kewaskum
Kewaskum, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Kewaskum ("District") as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the School District of Kewaskum's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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.

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

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated November 15, 2024 on the financial statements of the School District of Kewaskum. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

Other Matters

Segregation of Duties

The District operates its accounting and reporting function with a minimal number of individuals, which precludes a proper segregation of duties. This condition is not, however, unusual in entities the size of the District. It is important for management to be aware of this condition and to realize that the concentration of duties and responsibilities in these individuals is not desirable from a control point of view. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the District's financial affairs. Currently the person who prepares checks also reconciles the bank statements. If the bank reconciliation was prepared by someone other than a person with the authority to prepare checks, the District would have proper segregation of duties.

Other Matters (Continued)

Actuarial Report for Post-Employment Benefits

GASB Statement Nos. 73 and 75 require that an actuarial valuation must be performed at least biannually, while table updates are required to be completed every year. A significant change in benefits provided, in the size or composition of the population covered by the plan and/or other factors may require a new valuation be performed prior to the biannually required date. The District is required to have a new actuarial report for post-employment benefits completed as of July 1, 2025. This report will be used for fiscal year 2026. Table updates will be required for fiscal year 2025.

Governmental Accounting Standards Board No. 101, *Compensated Absences*

To improve consistency in application and improve comparability across governments, GASB issued new standards related to compensated absences in June 2022. Currently, GASB has set an effective date for periods beginning after December 15, 2023 (the June 30, 2025 fiscal year will require implementation). Under the new provisions, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled

Exceptions apply for parental leave and military leave for which a liability would not be recognized until the leave commences. This will likely impact you by requiring sick leave that had not been previously accrued to now be accrued at the percentage that is more likely than not to be used or paid out.

We would be happy to discuss these changes with you to determine the best accounting practice possible.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Kewaskum for the year ended June 30, 2024 and have issued our report thereon dated November 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by School District of Kewaskum are described in Note 1 to the financial statements. New accounting policies were adopted in the current year for implementation of GASB 100. The application of existing policies was not changed during 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

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

- Management's estimate of the fixed asset valuation is based upon an independent third party's appraisal.
- Management's estimate of the total OPEB liability and total supplemental pension liability are based upon an independent third party's actuarial appraisal.
- Management's estimate of the net pension liability is based upon an independent third party's actuarial appraisal and allocations prepared by the WRS.
- Management's estimate of the implicit interest rate for lease liabilities is based on the District's incremental borrowing rate of recently obtained debt obligations.

We evaluated the key factors and assumptions used to develop the aforementioned estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Significant Audit Findings (Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Significant Audit Findings (Continued)

Other Matters (Continued)

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

Restriction on Use

This information is intended solely for the use of the Board of Education and management of the School District of Kewaskum and is not intended to be and should not be used by anyone other than these specified parties.

Reilly, Penner & Benton LLP

November 15, 2024
Milwaukee, Wisconsin

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Audited Financial Statements
Year Ended June 30, 2024

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SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Audited Financial Statements

Year Ended June 30, 2024

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Independent Auditors' Report

To the School Board
School District of Kewaskum
Kewaskum, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Kewaskum ("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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 School District of Kewaskum, 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.

Change in Accounting Principle

As discussed in Note 1.S to the financial statements, in fiscal year 2024 the District adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and schedule of expenditures of state awards as required by Wisconsin State Single Audit Guidelines, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the schedule of expenditures of federal awards and the schedule of expenditures of 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 15, 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. The 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.

Reilly, Penner & Benton LLP

November 15, 2024
Milwaukee, Wisconsin

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

To the Board of Education
Kewaskum School District

The management discussion and analysis of the District's financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on the District's financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. It should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the District exceeded liabilities and deferred inflows at the close of fiscal 2024 by \$24,990,746 (*net position*). For the year, net position increased by \$2,172,311 or 11.6%.

The General Fund balance increased by \$929,268 to \$6,200,940 or 24.6% of the 2024-25 budgeted General Fund Expenditures. The June 30, 2024 total Fund Balance for all funds is 8,906,316.

The following events took place during fiscal 2024.

- The 2023-25 State Biennial Budget increased the low revenue ceiling from \$10,000 in fiscal years 2022 and 2023 to \$11,000 in fiscal year 2024. The additional revenue authority for 2023-24 was used for general operations as well to fully prepay existing non-referendum debt.
- The District received an increase in equalization aid for the fourth year in a row. For fiscal year 2024 the District received \$9,816,947 in general aid, an increase of \$143,382 from fiscal year 2023.
- The 2011 Wisconsin Act 32 also created a sum-sufficient appropriation known now as Per-Pupil Aid. This categorical aid allocates a per pupil amount using the three year average membership from the district's revenue limit worksheet. The per-pupil allocations have been as follows: 2012-13 \$50, 2013-14 \$75, 2014-15 and 2015-16 \$150, 2016-17 \$250, 2017-18 \$450, 2018-19 \$654 and in 2019-20, 2020-21, 2021-22, 2022-23, 2023-24 \$742. The 2023-24 allocation for the District provided \$1,340,794 in revenues, an increase of \$5,936 from the previous year.
- The September membership count used for the 2023-24 revenue limit increased by 17 FTE from 2022-23 with a three year rolling average of 1,807 FTE.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

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

- The **Statement of Net Position** and **Statement of Activities** provide information on a district-wide basis. These statements present an aggregate view of the District's finances. **District-wide statements** contain useful long-term information as well as information for the just-completed fiscal year.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The remaining statements are ***fund financial statements*** that focus on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements.

The ***notes to the financial statements*** provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

DISTRICT WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Activities reports all revenues and expenses used to support the District. The Statement of Net Position reports all assets and liabilities available to support District activities. The two district-wide statements report the District's ***net position*** and how it has changed. Net position, the difference between the District's assets, deferred outflows and inflows, and liabilities, is one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's ***funds***, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two kinds of funds:

- ***Governmental funds*** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- ***Fiduciary funds*** – The District serves as a trustee, or fiduciary, for a scholarship trust. The District is responsible for ensuring that the assets reported in these funds are used only as instructed and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position for the fiscal year ended June 30, 2024 compared to fiscal 2023. The District's combined net position increased by \$2,172,311 to \$24,990,746.

Table 1
Condensed Statement of Net Position
(In thousands of dollars)

	<u>2023</u>	<u>2024</u>
Assets		
Current and other assets	\$ 12,556	\$ 11,173
Capital assets	39,533	39,267
Total assets	52,089	50,440
Deferred Outflow of Resources		
Deferred outflows related to pensions/OPEB	13,169	8,491
Total deferred outflows of resources	13,169	10,813
Liabilities		
Current Liabilities	29,188	24,274
Noncurrent Liabilities	5,330	3,928
Total liabilities	34,518	28,202
Deferred Inflows of Resources		
Deferred inflows related to pensions - WRS	7,325	5,060
Deferred inflows related to supplemental pensions	59	53
Deferred inflows related to OPEB	538	625
Total deferred inflows of resources	7,922	5,738
Net Position		
Net investment in capital assets	14,434	16,026
Restricted	3,761	2,668
Unrestricted	4,623	5,696
Total net position	\$ 22,818	\$ 24,991

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 2 summarizes operating results and their impact on net position. The District relies primarily on property and other taxes and state general aid to fund governmental activities.

Table 2
Changes in Net Position from Operating Results
(In thousands of dollars)

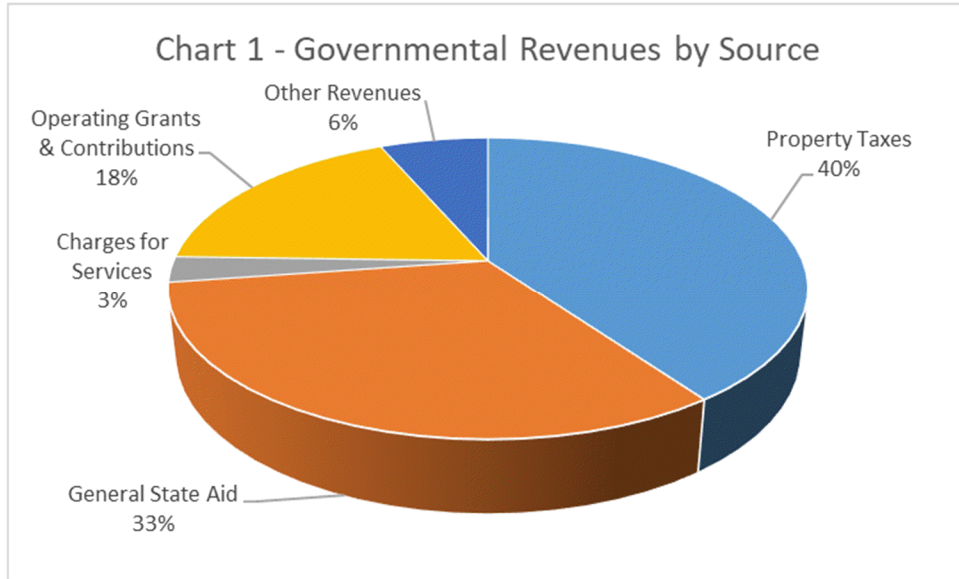
	<u>2023</u>	<u>2024</u>
Revenues		
Program revenues		
Operating & capital grants & contributions	\$ 5,166	\$ 5,417
Charges for services	793	829
General revenues		
Property and other taxes	10,905	12,063
General state aid	9,674	9,817
Other	1,820	1,966
Total revenues	28,358	30,092
Change in accounting estimate	---	52
Expenses		
Instruction	14,681	15,393
Pupil & instructional services	3,161	3,207
Administration & finance	1,957	1,998
Maintenance & operations	2,393	2,082
Transportation	889	1,084
Food services	1,395	1,184
Interest on debt	786	713
Other support services	777	553
Unallocated depreciation	1,713	1,753
Total expenses	27,752	27,971
Increase in net position	\$ 605	\$ 2,172

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The composition of governmental activities revenues by source is illustrated below in Chart 1.



Governmental Revenues by Source

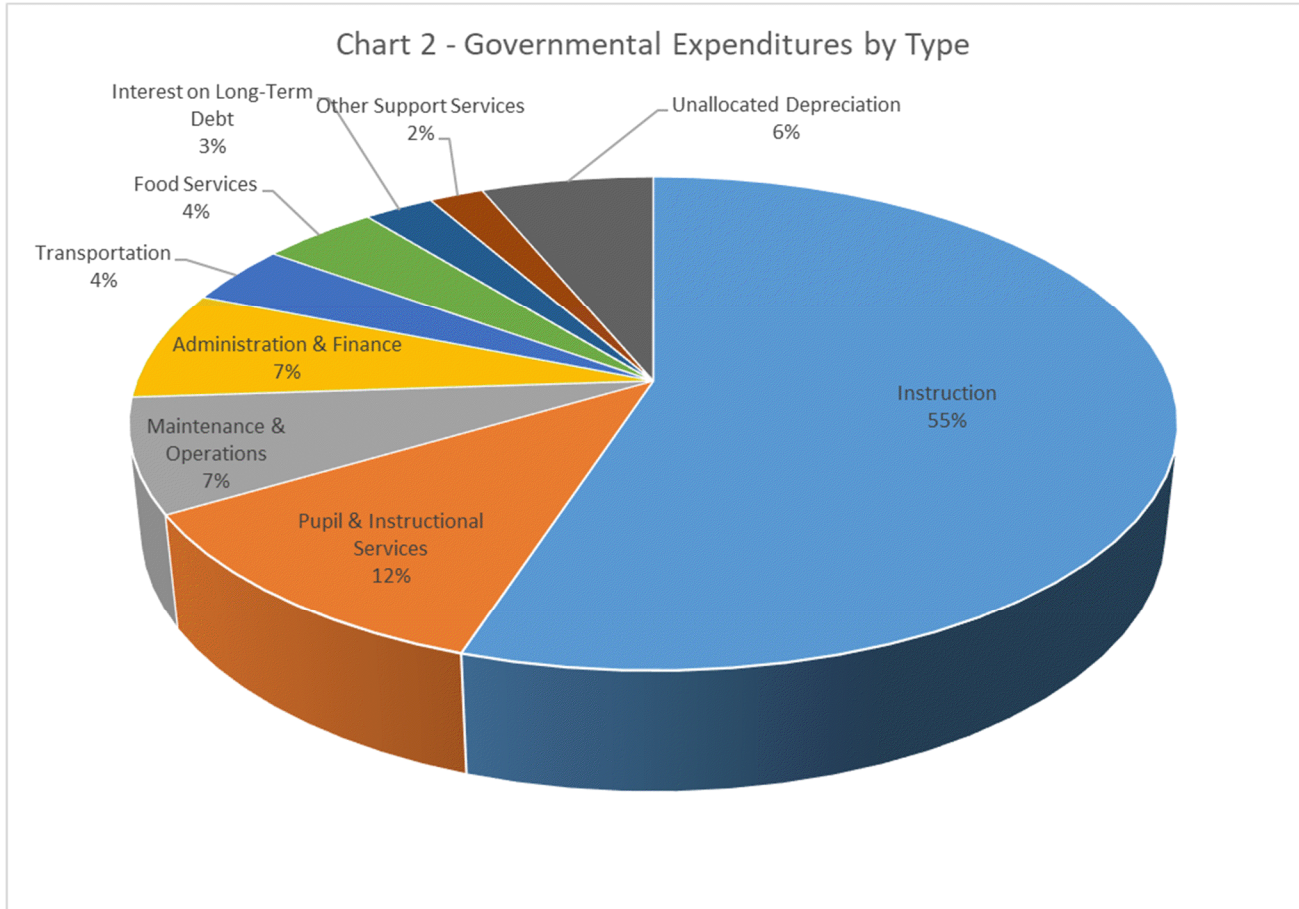
<u>Description</u>	<u>Amount</u>	<u>Percent</u>
Property Taxes	\$12,062,365	40.1%
General State Aid	9,816,947	32.6%
Charges for Services	828,798	2.8%
Operating & Capital Grants & Contributions	5,417,558	18.0%
Other Revenues	1,965,235	6.5%
Total	\$30,090,903	100%

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The composition of governmental activities expenditures by type is illustrated below in Chart 2.



Governmental Expenditures by Type

<u>Description</u>	<u>Amount</u>	<u>Percent</u>
Instruction	\$15,393,040	55.0%
Pupil & Instructional Services	3,206,921	11.5%
Maintenance & Operations	2,081,879	7.4%
Administration & Finance	1,998,646	7.1%
Transportation	1,087,557	3.9%
Food Services	1,184,035	4.2%
Interest on Long-Term Debt	712,779	2.5%
Other Support Services	552,803	2.0%
Unallocated Depreciation	1,753,183	6.3%
Total	\$27,970,843	100.0%

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 3 presents the net cost of the seven major activities of the District. Net cost is the total cost of an activity less any fees generated by the activity and intergovernmental aid provided for specific programs. The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(In thousands of dollars)

Expenses	Net Cost of Services <u>2023</u>	Percent of Services <u>2023</u>	Net Cost of Services <u>2024</u>	Percent of Services <u>2024</u>
Instruction	\$ 10,469	48.0%	\$ 10,825	49.8%
Pupil & instructional services	2,749	12.6%	2,850	13.1%
Administration & finance	1,957	9.0%	2,036	9.4%
Maintenance & operations	2,369	10.9%	1,999	9.2%
Transportation	808	3.7%	1,006	4.6%
Food service	222	1.0%	20	0.1%
Interest on debt	786	3.6%	713	3.3%
Other support services	720	3.3%	524	2.4%
Unallocated depreciation	1,713	7.9%	1,753	8.1%
Total Expenses	\$ 21,793	100%	\$ 21,724	100%

The total cost of all governmental activities this year was \$27,970,843. Individuals who directly participated or benefited from a program offering paid for \$828,798 of costs.

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$8,906,316, a decrease of \$87,933, from the previous year's ending fund balance of \$8,994,249.

- During fiscal 2024, the District ended the year with a general fund surplus of \$929,268 increasing the fund balance to \$6,200,940.
- The Debt Service Fund must have sufficient assets at June 30, 2024 to provide for the payment of a semi-annual debt service payment due September 2024. During fiscal 2024 the fund balance of the Debt Service Fund decreased by \$334,461 to \$391,393.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS (Continued)

- The fund balance of the Special Revenue Trust Fund fluctuates from year to year depending on the amount of gifts and donations received and the timing of the actual use of those funds. The fund balance of the Special Revenue Trust Fund increased in fiscal 2024 by \$9,353 to \$310,553.
- Fiscal year 2024 saw a decrease in the Capital Projects fund balance. Fund 46, created in 2017 for future capital project needs ended with a fund balance of \$1,334,130, a decrease of \$342,359 from fiscal year 2023. Fund 49 ended with a fund balance of \$3,280, a decrease of \$306,193.
- The fund balance of the Food Service Fund may only be used to provide funding to operate the District's food service program. The fund balance of the Food Service Fund decreased during fiscal 2024 by \$50,508 to \$628,938.
- The Community Service Fund has a fund balance of \$37,082 at June 30, 2024, an increase of \$6,967.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Education reviews and approves a preliminary budget in July for the subsequent fiscal year (beginning July 1). Consistent with current state statutes and regulations, an **original** budget is adopted in October following determination of the District's official enrollment and certification of state aids. The District adjusted its original 2023-24 budget to reflect modifications in several state and federal grants and to change or establish funding for programs and projects.

The District's 2023-24 original general fund budget anticipated that expenditures (including operating transfers) would equal revenues. Actual results for fiscal 2024 show revenues exceeding expenditures and operating transfers by \$929,268, resulting in an increase in fund balance of this amount. This was the result of higher than anticipated interest earnings and lower than anticipated costs across the board, but particularly related to regular curriculum and business administration.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2024, the District had invested \$59,744,170 in capital assets, including buildings, sites and equipment (see Table 4). Total accumulated depreciation and amortization on these assets was \$20,998,871. Asset acquisitions totaled \$318,199 in fiscal 2024 while depreciation expense of \$1,599,461 was recognized by the District. (Detailed information about capital assets can be found in Note 3 to the financial statements.)

Table 4
Capital Assets
(Net of depreciation, in thousands of dollars)

	<u>2023</u>	<u>2024</u>
Land	\$ 92	\$ 92
Construction in Progress	366	118
Buildings	55,573	56,819
Furniture & equipment	2,443	2,570
Vehicles	419	354
Intangible Right to Use Assets (net of amortization)	82	312
Accumulated depreciation and amortization	<u>(19,442)</u>	<u>(20,999)</u>
Net capital assets	<u>\$ 39,533</u>	<u>\$ 39,267</u>

Long-term Liabilities

At year-end the District had \$22,418,861 in general obligation debt and other long-term liabilities outstanding – a decrease of \$2,441,272 from fiscal 2023 (Detailed information about the District’s long-term liabilities is presented in Note 5 to the financial statements.)

Table 5
Outstanding Long-term Obligations
(In thousands of dollars)

	<u>2023</u>	<u>2024</u>
General obligation debt	\$ 22,845	\$ 21,610
Loan from direct borrowing	1,379	---
Unamortized premium	535	483
Lease liability	86	310
Compensated absences	15	15
Net long-term obligations	<u>\$ 24,860</u>	<u>\$ 22,419</u>

General obligation debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

- Act 19, the Executive Budget Act for 2023-25, established law providing per pupil increases under revenue limits of \$325 in fiscal year 2024 and \$325 in fiscal year 2025. It also increased the low revenue limit ceiling to \$11,000 for fiscal years 2024 and 2025. The district's revenue authority per student is \$11,325 for fiscal year 2025. While the 2023-25 state budget included a provision for a continuation of the \$325 per-student adjustment, this is currently being contested in the Wisconsin Supreme Court. The per-pupil allocation for 2025-26 may be adjusted based on a Supreme Court opinion and/or and adjustment through the two-year state biennial budget process. A final state budget is expected in late June (2025).
- Act 19 increased the amount of general state aid to school districts during the two year budget cycle, \$155 million in fiscal year 2024 and \$225 million in fiscal year 2025. The Kewaskum School District will receive an increase in general aid of \$798,193 in fiscal 2025. Future state aid allocations will be determined by the next state biennial budget process. A key school funding source in Wisconsin also includes the School Levy Tax Credit. This credit is allocated after local school board set a local tax levy and reduces local property tax bills. While this credit is included in the two-thirds state public school funding commitments, it is not available for local school districts to consider when setting the local levy.
- The private school voucher program continues to increase the local tax levy. The voucher program added \$565,284 to the district tax levy for 2024-25, and increase from \$386,403 in 2023-24. These local levies to support the voucher schools are expected to continue to increase unless the state changes the voucher funding to a direct state payment.
- The September 2024 resident pupil count decreased by 30 FTE. Changes in enrollment impact the amount of revenue the District can raise and the amount of its general state aid. The September 2024 decrease in resident enrollment will affect the District's revenue limit in fiscal 2025, 2026 and 2027 due the use of a rolling three-year average enrollment factor in the revenue limit formula.
- During 2023-24, the district paid \$2,045,938 to other school districts for resident students who open enrolled out of the District. The district received \$1,706,061 from other schools for non-resident students who open enrolled into the District. Revenue transferred to the district for non-resident students helps to reduce the impact of the cost of resident students who open enroll out of the district. The net open enrollment financial impact for 2023-24 was a net cost of \$339,877.
- The District's equalized property value increased by 6.1% to \$2,220,599,240 in fiscal 2025. Because equalized property values are used to determine the District's tax rate and state aid, increases and decreases in equalized property value affect the District's tax rate and the amount of funding it receives from the state. The 2024-25 district tax rate continues to decrease to \$5.64 (from \$5.76 in 2023-24).

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Management Discussion & Analysis
June 30, 2024

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Manager, at (262) 626-8427, ext. 8009. The District's mailing address is School District of Kewaskum, PO Box 37, Kewaskum, WI 53040-0037.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Statement of Net Position
June 30, 2024

	Governmental Activities
Assets:	
Current assets:	
Cash	\$ 433,529
Investments	7,440,329
Taxes receivable	2,654,003
Prepaid expenses	5,059
Inventory	41,655
Due from other governments	598,275
Total current assets	11,172,850
Capital assets:	
Nondepreciable	210,202
Depreciable, net of accumulated depreciation	38,745,299
Right to use leased assets, net of accumulated amortization	311,757
Total capital assets	39,267,258
Total assets	50,440,108
Deferred Outflows of Resources:	
Deferred outflows related to pensions - WRS	8,105,900
Deferred outflows related to supplemental pensions	16,030
Deferred outflows related to OPEB	368,636
Total deferred outflows of resources	8,490,566
Liabilities:	
Current liabilities:	
Accounts payable	83,407
Accrued interest	237,592
Accrued salaries and related items	2,154,590
Unearned revenue	28,537
Current portion of long-term obligations	1,423,767
Total current liabilities	3,927,893
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	20,995,094
Total OPEB liability	2,233,689
Net pension liability - WRS	946,843
Total supplemental pension liability	98,794
Total noncurrent liabilities	24,274,420
Total liabilities	28,202,313
Deferred Inflows of Resources:	
Deferred inflows related to pensions - WRS	5,059,617
Deferred inflows related to supplemental pensions	52,972
Deferred inflows related to OPEB	625,026
Total deferred inflows of resources	5,737,615
Net Position:	
Net investment in capital assets	16,626,018
Restricted for:	
Debt service	391,393
Capital projects	1,337,410
Food service	628,938
Other special revenue	310,553
Unrestricted	5,696,434
Total net position	\$ 24,990,746

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Statement of Activities
Year Ended June 30, 2024

	Program Revenues			Net (Expenses)
<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>	<u>Changes in</u>
	<u>Services</u>	<u>Grants and</u>	<u>Contributions</u>	<u>Net Position</u>
Governmental activities:				
Instruction:				
Regular instruction	\$ 10,358,302	\$ 95,529	\$ 2,571,346	\$ (7,691,427)
Special education instruction	2,648,976	---	1,474,246	(1,174,730)
Vocational instruction	830,102	---	---	(830,102)
Other instruction	1,555,660	81,359	345,167	(1,129,134)
Total instruction	15,393,040	176,888	4,390,759	(10,825,393)
Support services:				
Pupil services	926,196	---	---	(926,196)
Instructional staff services	2,280,725	---	357,326	(1,923,399)
General administration services	487,947	---	---	(487,947)
School administration services	1,109,159	---	---	(1,109,159)
Business services	401,540	---	---	(401,540)
Operation and maintenance of plant	2,081,879	20,655	25,149	(2,036,075)
Pupil transportation	1,087,557	---	81,811	(1,005,746)
Central services	135,128	---	---	(135,128)
Other support services	290,275	---	---	(290,275)
Community services	127,400	1,790	27,478	(98,132)
Food service	1,184,035	629,465	535,035	(19,535)
Interest and fees on long-term obligations	712,779	---	---	(712,779)
Unallocated depreciation and amortization	1,753,183	---	---	(1,753,183)
Total support services	12,577,803	651,910	1,026,799	(10,899,094)
 Total governmental activities	 \$ 27,970,843	 \$ 828,798	 \$ 5,417,558	 (21,724,487)
 General revenues:				
Taxes:				
Property taxes, levied for general purposes				8,941,553
Property taxes, levied for debt service				3,015,156
Property taxes, levied for specific purposes				105,100
Other taxes				556
Federal and state aid not restricted to specific purposes:				
General				9,816,947
Other				1,437,631
Interest and investment earnings				324,801
Miscellaneous				202,803
				2,120,060
Changes in net position				2,120,060
Net position - beginning of year				22,818,435
Adjustment for the Correction of an Error				52,251
Net position - beginning of year as adjusted				22,870,686
 Net position - end of year				 \$ 24,990,746

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Balance Sheet
Governmental Funds
June 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash	\$ 202,815	\$ 1,052	\$ 3,280	\$ ---	\$ 226,382	\$ 433,529
Investments	3,656,300	390,341	1,424,103	1,826,443	143,142	7,440,329
Taxes receivable	2,654,003	---	---	---	---	2,654,003
Prepaid expenditures	5,059	---	---	---	---	5,059
Inventory	---	---	---	41,655	---	41,655
Due from other funds	1,310,531	---	---	---	---	1,310,531
Due from other governments	566,356	---	---	4,441	27,478	598,275
Total assets	\$ 8,395,064	\$ 391,393	\$ 1,427,383	\$ 1,872,539	\$ 397,002	\$ 12,483,381
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 51,417	\$ ---	\$ ---	\$ 299	\$ 31,691	\$ 83,407
Accrued salaries and related items	2,142,707	---	---	11,571	312	2,154,590
Unearned revenue	---	---	---	28,537	---	28,537
Due to other funds	---	---	89,973	1,203,194	17,364	1,310,531
Total liabilities	2,194,124	---	89,973	1,243,601	49,367	3,577,065
Fund Balances:						
Nonspendable	5,059	---	---	41,655	---	46,714
Restricted	---	391,393	1,337,410	587,283	310,553	2,626,639
Assigned	---	---	---	---	37,082	37,082
Unassigned	6,195,881	---	---	---	---	6,195,881
Total fund balances	6,200,940	391,393	1,337,410	628,938	347,635	8,906,316
Total liabilities and fund balances	\$ 8,395,064	\$ 391,393	\$ 1,427,383	\$ 1,872,539	\$ 397,002	\$ 12,483,381

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**

June 30, 2024

Total fund balances - governmental funds \$ 8,906,316

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of the assets	\$ 59,954,372	
Accumulated depreciation	<u>(20,998,871)</u>	
		38,955,501

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Right to use assets	489,213	
Accumulated amortization	<u>(177,456)</u>	
		311,757

The District's total OPEB liability is recorded as a liability on the statement of net position, but is not reported in the governmental funds

(2,233,689)

The District's proportionate share of the WRS net pension liability is recorded as a liability on the statement of net position, but is not reported in the governmental funds.

(946,843)

The District's total supplemental pension liability is recorded as a liability on the statement of net position, but is not reported in the governmental funds

(98,794)

Deferred outflows and inflows of resources related to OPEB, WRS pension and supplemental pensions are applicable to future periods, and therefore, are not reported in the governmental funds.

2,752,951

Long-term obligations are not due and payable in the current period, and therefore are not reported in the governmental funds. Long-term obligations at year-end consist of:

Bonds payable	21,610,000	
Lease liability	310,522	
Unamortized premium on debt issuance	483,126	
Compensated absences	<u>15,213</u>	
		(22,418,861)

Accrued interest payable on long-term obligations is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(237,592)

Total net position - governmental activities \$ 24,990,746

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Local	\$ 9,395,231	\$ 3,049,220	\$ 85,930	\$ 629,465	\$ 529,380	\$ 13,689,226
Interdistrict	1,709,507	---	---	---	---	1,709,507
Intermediate	32,660	---	---	---	---	32,660
State	12,316,486	---	---	13,361	---	12,329,847
Federal	1,639,376	---	---	521,674	27,478	2,188,528
Other	132,878	---	1,095	7,161	---	141,134
Total revenues	25,226,138	3,049,220	87,025	1,171,661	556,858	30,090,902
Expenditures:						
Instruction:						
Current	12,592,127	---	---	---	354,939	12,947,066
Interdistrict	2,349,086	---	---	---	---	2,349,086
Capital outlay	18,400	---	---	---	---	18,400
Support Services:						
Current	8,991,132	---	42,598	1,188,681	188,985	10,411,396
Capital outlay	689,837	---	692,979	33,488	---	1,416,304
Debt service	36,252	3,383,681	---	---	---	3,419,933
Total expenditures	24,676,834	3,383,681	735,577	1,222,169	543,924	30,562,185
Excess (deficiency) of revenues over expenditures	549,304	(334,461)	(648,552)	(50,508)	12,934	(471,283)
Other Financing Sources (Uses):						
Operating transfers	(3,386)	---	---	---	3,386	---
Lease financing	383,350	---	---	---	---	383,350
Total other financing sources	379,964	---	---	---	3,386	383,350
Net change in fund balances	929,268	(334,461)	(648,552)	(50,508)	16,320	(87,933)
Fund Balances - Beginning of year, as previously presented						
	5,271,672	---	1,985,962	679,446	1,057,169	8,994,249
Change within the financial reporting entity (nonmajor to major fund)	---	725,854	---	---	(725,854)	---
Fund Balances - Beginning of year as adjusted	5,271,672	725,854	1,985,962	679,446	331,315	8,994,249
Fund Balances - End of year	\$ 6,200,940	\$ 391,393	\$ 1,337,410	\$ 628,938	\$ 347,635	\$ 8,906,316

The accompanying notes to financial statements are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

**Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities**

Year Ended June 30, 2024

Total net change in fund balances - governmental funds \$ (87,933)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expenses.

Depreciation expense	\$ (1,599,461)	
Capital outlays	1,434,704	
Amortization expense	<u>(153,722)</u>	(318,479)

Some of the capital assets acquired this year were financed with leases. The amount financed by lease is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net position.

(383,350)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.

G.O. Bonds	1,235,000	
State trust fund loans	1,379,156	
Lease liability	<u>158,861</u>	2,773,017

Amortization of premium on debt issuance reduces the balance of the respective liability. The amortization is an expenditure in the statement of net position, but is not shown in the governmental funds.

51,394

In the statement of activities, post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

(113,743)

In the statement of activities, supplemental pension benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

(7,450)

In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension income (expenses). In the governmental funds however, expenditures for these items are measured by the amount of financial resources used.

Cost of benefits earned net of employee contributions	(623,205)	
District pension contributions	<u>812,636</u>	189,431

In the statement of activities certain employee benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

Compensated absences		211
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Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

16,962

Change in net position of governmental activities \$ 2,120,060

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Statement of Fiduciary Net Position

June 30, 2024

	Private Purpose Trust
Assets:	
Investments	\$ 11,166
Net position:	
Restricted - Corpus	\$ 10,000
Restricted	1,166
Total net position	\$ 11,166

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Private Purpose Trust
Additions:	
Interest	\$ 583
Change in net position	583
Net position - beginning of year	10,583
Net position - end of year	\$ 11,166

The accompanying notes to financial statements
are an integral part of these statements.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies

A. Introduction

The School District of Kewaskum (“District”) is organized as a common school district. The District, governed by a seven-member elected school board, is fiscally independent with taxing and borrowing powers. Services provided by the District are primary and secondary education and special education.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the District are discussed below.

B. Component Units

GAAP require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District’s reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the general purpose financial statements. The private purpose trust is considered a component unit. The District is not included in any other governmental reporting entity.

C. Basis of Presentation

District–Wide Statements

The statement of net position and the statement of activities present financial information about the District’s governmental 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 non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by 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 have been classified to the function where the majority of the expenditures relating to it have been incurred. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental, 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 reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds. It is also used to account for activities associated with providing educational programs for students with disabilities.

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

Capital Projects Fund – This fund accounts for the financial resources of the District to be used for capital expenditures related to buildings and sites.

Food Service Fund – This fund accounts for the financial resources of the District to be used for the purpose of running the District's food service program.

The District accounts for fiduciary activities for scholarships to fund higher education in a private purpose trust fund.

D. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term obligations, 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 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 resources 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.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

E. Cash

The District's cash is considered to be cash on hand and demand deposits. Cash balances for individual funds are pooled unless maintained in segregated accounts.

F. Investments

The District's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The District generally holds all investments until maturity or until market values equal or exceed cost.

Interest income on commingled investments of district accounting funds is allocated based on average investment balances. Adjustments necessary to record investments at fair value are recorded in the statement of activities, statements of revenues, expenditures and changes in fund balances and statement of changes in fiduciary net position as increases or decreases in investment income.

Investment balances for individual funds are pooled unless maintained in segregated accounts.

G. Receivables

Property taxes are recognized as revenues in the year for which they are budgeted. The District tax levy is certified in November of the current fiscal year for collection by the taxing municipalities based on the past October 1 full or "equalized" taxable property values. The District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. Under the Wisconsin Statutes, Washington, Fond du Lac and Sheboygan Counties purchase the outstanding property taxes of the District in August of each year. This statutory guarantee assures the District full collection of all property taxes within sixty days of its year end, and hence, the availability of these funds to finance expenditures of the fiscal year for which the taxes were levied.

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

H. Interfund Transactions

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 offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources. The District does not have any advances between funds.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

H. Interfund Transactions (Continued)

Individual fund transfers and interfund receivables and payable activity for the year ending June 30, 2024 are as follows:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers:			
General operations	Package-Cooperative	General	\$ <u>3,386</u>
Due to/from:			
Temporary deposit	General	Food Service	\$ 1,203,194
Temporary deposit	General	Community Service	17,364
Temporary deposit	General	Capital Projects	<u>89,973</u>
			<u>\$ 1,310,531</u>

I. Capital Assets

Capital assets are reported at actual cost or estimated historical cost. Maintenance and repair costs are charged to expenses as incurred and betterments are capitalized as assets. Upon disposal of land, buildings and equipment, a gain or loss is reflected in the statement of activities. Property and equipment and related depreciation expense are not reflected in the Governmental Fund Financial Statements.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-line	50 - 75 years
Equipment and furniture	5,000	Straight-line	5 - 20 years
Vehicles	5,000	Straight-line	5 years

The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

J. Right to Use Assets

The District has recorded right to use lease assets. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

K. Other Assets

Prepaid insurance represents payments made by the District for which benefits extend beyond June 30th and have not yet been earned by the recipient. Inventory and prepaid supplies are valued at cost using the first-in/first-out (FIFO) method. Costs are recorded as expenditures at the time individual inventory items are consumed. Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as prepaid expenses and/or inventories.

L. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the financial statements will sometimes report separate sections for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period(s) and thus, will not be recognized as an inflow of resources (revenue) until then.

M. Accumulated Unpaid Vacation and Sick Pay

Unused accumulated employee vacation is paid out upon retirement or termination of employment. Generally, sick leave can be accumulated up to a maximum of 90 days, but accumulated hours are not paid out upon termination of employment. The District accrued that vacation leave which it deems probable of payout. The liability is reported on the government-wide financial statements. For governmental fund financial statements, the unpaid compensated absences are not expected to be paid using expendable available resources, and therefore, the liability is not reported. Compensated absences are generally liquidated by the general fund.

N. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for 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.

The District applies restricted resources when expense is incurred for purposes for which both restricted and unrestricted net position is available.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

O. Fund Balance

The GASB has defined the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- *Nonspendable* - amounts that cannot be spent either because they are not in spendable form and cannot be converted to cash or because they are legally or contractually required to be maintained intact.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* - amounts that can be used only for specific purposes determined by a formal action of the School Board prior to year-end. The School Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the School Board.
- *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, the School Board has authorized the Business Manager to assign funds.
- *Unassigned* - the residual classification for the General Fund (fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund), and deficit fund balances within other funds.

Order of Fund Balance Spending Policy: The District has established the following order of spending when various funding sources exist: (1) Restricted, (2) Committed, (3) Assigned, (4) Unassigned.

Minimum Fund Balance Policy: The general fund's fund balance shall not fall below 10% of the preceding years general fund expenditures.

P. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Pensions

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 refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pensions are generally liquidated by the general fund.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

1. Summary of Significant Accounting Policies (Continued)

R. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (November 15, 2024). Except for the information in Note 4 regarding short-term borrowing, there were no subsequent events that required recognition or disclosure.

S. Adoption of New Accounting Guidance

As of July 1, 2023, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Refer to Note 16 for the impact to the fund balances as a result of this implementation.

2. Cash and Investments

Cash and investments as shown on the District's statement of net position are subject to the following risks:

	Custodial Balance	Carrying Amount	Risks
Cash:			
Demand deposits	\$ 678,815	\$ 431,390	Custodial
Petty cash	---	2,139	
Investment:			
State of Wisconsin Local Government Investment Pool	<u>7,451,495</u>	<u>7,451,495</u>	Custodial
Total cash and investments	<u>\$ 8,130,310</u>	<u>\$ 7,885,024</u>	

Reconciliation to Financial Statements:

Per statement of net position:

Cash	\$ 433,529
Investments	7,440,329

Per statement of fiduciary net position:

Investments	<u>11,166</u>
Total cash and investments	<u>\$ 7,885,024</u>

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation ("FDIC") in the amount of \$250,000. Deposits in each bank and the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual districts. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

Custodial Risk: Is the risk that, in the event of a financial institution failure, the District's deposits may not be returned to the District. The District's carrying value for cash and investment deposits were \$7,882,885 at June 30, 2024 and the custodians' carrying value was \$8,130,310, of which \$1,050,000 was fully insured and \$7,080,310 was uninsured and uncollateralized. The District does not have a policy regarding custodial risk for deposits.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

2. Cash and Investments (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. As of June 30, 2024, the District does not have hold investments subject to interest rate risk.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. The District's investment policy minimized credit risk by limiting investments to the safest type of securities.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the State Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At June 30, 2024, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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

A separate financial report for SIF is prepared in accordance with GASB. Copies of the report can be obtained from <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

LGIP is exempt from fair value disclosure due to investments being valued at amortized cost.

Wisconsin Statute 66.0603 authorizes the District to invest in the following types of instruments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in Wisconsin if the time deposit matures in not more than three years
- Bonds or securities issued or guaranteed as to principal or interest by the federal government or by a commission, board, or other instrumentality of the federal government (U.S. Treasuries and U.S. agencies)
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town, or school district
- Bonds issued by a local exposition district, local professional baseball park district, or local professional stadium district created under subchapter III or IV of chapter 229 of the Wisconsin statutes or bonds issued by the University of Wisconsin Hospitals or Clinics Authority
- Any security maturing in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency
- Securities of open-end management investment companies or investment trusts if the portfolio is collateralized by bonds or securities, subject to various conditions and investment options
- A local government investment pool, subject to certain conditions

The District has adopted an investment policy which permits all investments allowed under the state statutes as described above.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

3. Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023	Additions	Reductions	Transfers	Adjustment - see Note 15	Balance June 30, 2024
Non-depreciable capital assets:						
Sites	\$ 92,110	\$ ---	\$ ---	\$ ---	\$ ---	\$ 92,110
Construction in progress	365,931	733,019	---	(980,858)	---	118,092
Total non-depreciable capital assets	458,041	733,019	---	(980,858)	---	210,202
Depreciable capital assets:						
Buildings and improvements	55,573,402	250,651	---	995,358	---	56,819,411
Equipment	2,442,866	67,548	---	(14,500)	74,406	2,570,320
Vehicles	418,791	---	64,352	---	---	354,439
Total depreciable capital assets	58,435,059	318,199	64,352	980,858	74,406	59,744,170
Less accumulated depreciation	19,441,607	1,599,461	64,352	---	22,155	20,998,871
Total depreciable capital assets, net	38,993,452	(1,281,262)	---	980,858	52,251	38,745,299
Intangible right-to-use assets:						
Leased equipment	105,727	383,486	---	---	---	489,213
Less accumulated amortization	23,734	153,722	---	---	---	177,456
Net intangible right-to-use assets	81,993	229,764	---	---	---	311,757
Governmental activities capital assets, net	\$ 39,533,486	\$ (318,479)	\$ ---	\$ ---	52,251	\$ 39,267,258

All depreciation and amortization expense was charged to unallocated depreciation and amortization on the Statement of Activities.

4. Short-Term Notes Payable

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

Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
\$ 1,000,000	\$ ---	\$ 1,000,000	\$ ---

The note was dated October 2, 2022, due August 24, 2023 with an interest rate of 4.0%. Interest for the year ended June 30, 2024 was \$5,930. The note is for general district operation. The District pledged as collateral on the promissory note, tax monies and other available revenue received for operation and maintenance of the district sufficient to pay any outstanding balance and interest expense incurred.

On October 10, 2023, the District entered into a revolving line of credit for \$400,000 with a local bank for working capital needs. The line of credit matures on November 1, 2024 and carried an interest rate at prime minus 1%. The line of credit is collateralized by tax monies and other available revenue received for operation and maintenance of the district sufficient to pay any outstanding balance and interest expense incurred. The District made no draws or repayments on the line of credit during the year ended June 30, 2024. The line of credit was renewed on November 14, 2024 under the same terms and conditions with a maturity of November 1, 2025.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

5. Long-Term Obligations

Long-term obligations of the District are as follows:

Type	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due within one year
G.O. Bonds	\$ 22,845,000	\$ ---	\$ 1,235,000	\$ 21,610,000	\$ 1,275,000
Loan from direct borrowing	1,379,156	---	1,379,156	---	---
Unamortized premium	534,520	---	51,394	483,126	---
Lease liability	86,033	383,350	158,861	310,522	148,767
Compensated absences	15,424	---	211	15,213	---
Total	\$ 24,860,133	\$ 383,350	\$ 2,824,622	\$ 22,418,861	\$ 1,423,767

Total interest paid and expensed (including accrual) during the year for the year ended June 30, 2024 on long-term liabilities was \$775,205 and \$758,243, respectively.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The long-term debt will be retired by future property tax levies and resources accumulated in the Debt Service Fund. Long-term debt at June 30, 2024 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates (%)	Dates of Maturity	Balance June 30, 2024
\$9,995,000 G.O. School Building and Improvement Bonds	3/16/17	2.50 – 3.00	3/1/32	\$ 9,995,000
\$8,900,000 G.O. Refunding Bond	3/1/17	3.00 – 4.00	3/1/37	8,900,000
\$9,525,000 G.O. Refunding Bond	3/1/18	2.50 – 3.00	3/1/38	2,715,000
Total				\$ 21,610,000

The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,093,361,035. The legal debt limit and margin of indebtedness as of June 30, 2024, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes follows:

Debt limit (10% of \$2,093,361,035)	\$ 209,336,104
Deduct long-term debt applicable to debt margin	21,610,000
Margin of indebtedness	\$ 187,726,104

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

5. Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2024 follow:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,275,000	\$ 673,700	\$ 1,948,700
2026	1,300,000	637,025	1,937,025
2027	1,340,000	604,525	1,944,525
2028	1,380,000	571,025	1,951,025
2029	1,420,000	529,625	1,949,625
2030-2034	7,805,000	1,981,525	9,786,525
2035-2038	7,090,000	625,200	7,715,200
Totals	\$ 21,610,000	\$ 5,622,625	\$ 27,232,625

Lease agreements are summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Lease Term</u>	<u>Payment Amount</u>	<u>Payment Frequency</u>	<u>Interest Rate</u>	<u>Balance June 30, 2024</u>
Copiers	8/4/2022	4 years	\$ 2,527	Monthly	6.90%	\$ 60,861
Computers	7/5/2023	3 years	134,218	Annually	4.97%	249,661
						<u>310,522</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 148,767	\$ 15,774	\$ 164,541
2026	156,745	7,796	164,541
2027	5,010	43	5,053
	\$ 310,522	\$ 23,613	\$ 334,135

6. Fund Balances

As of June 30, 2024, fund balance components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>
General fund:			
Prepaid expenditures	\$ 5,059	\$ ---	\$ ---
Other special revenue	---	310,553	---
Food service:			
Inventory	41,655	---	---
Food service program	---	587,283	---
Community service	---	---	37,082
Debt service	---	391,393	---
Capital projects	---	1,337,410	---
Total	\$ 46,714	\$ 2,626,639	\$ 37,082

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements

June 30, 2024

(Continued)

7. Defined Benefit Pension Plan

Plan Description

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

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants; if hired on or before 12/31/16) 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 earning and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee’s contributions plus matching employer’s contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements

June 30, 2024

(Continued)

7. Defined Benefit Pension Plan (Continued)

Post-Retirement Adjustments

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2014	4.7 %	25.0 %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives 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 reporting period, the WRS recognized \$812,636 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

7. Defined Benefit Pension Plan (Continued)

Pension Liability, Pension Expense (Revenue) and Deferred Outflows and Inflows of Resources

At June 30, 2024, the District reported a liability of \$946,843 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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability 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 0.0637%, which was a decrease of 0.0023% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$623,205.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,817,664	\$ 5,056,520
Changes in assumptions	412,702	---
Net difference between projected and actual earnings on pension plan investments	3,299,598	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,661	3,097
Employer contributions subsequent to the measurement date	533,275	---
Total	\$ 8,105,900	\$ 5,059,617

The amount of \$533,275 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30,		
2025	\$	520,028
2026		547,141
2027		2,079,572
2028		(633,733)

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

7. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2023, 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 (Asset):	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:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. 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.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

7. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns¹			
As of December 31, 2023			
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u> %	<u>Long-Term</u> <u>Expected Nominal</u> <u>Rate of Return %</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return %²</u>
Public Equity	40%	7.3%	4.5%
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	<u>(12)</u>	3.7	1.0
Total Core Fund	<u>100%</u>	7.4%	4.6%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.8%	4.0%
International Equities	<u>30</u>	7.6	4.8
Total Variable Fund	<u>100%</u>	7.3%	4.5%

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

7. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Single Discount rate. A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 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 1.70% 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.

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 percent, as well as what the District’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) 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 (asset) liability	\$ 9,151,703	\$ 946,843	\$ (4,794,443)

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 at June 30, 2024 were \$337,005. This represents contributions earned as of June 30, 2024, but for which payment was not remitted to the pension plan until subsequent to year-end.

8. Supplemental Pension Plan

Description of Plan and Plan Benefits

The District administers a single-employer defined benefit supplemental pension plan to eligible administrators. Eligible administrators shall receive \$5,000 per year of service up to a maximum of \$65,000 paid into a non-elective 403(b) account. The payments are made over a period of 2 full years, divided into 24 equal monthly contributions beginning September 1st following retirement. Contribution requirements are established through personnel policy guidelines and may be amended by action of the governing board. Supplemental pensions are generally liquidated by the general fund.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

8. Supplemental Pension Plan (Continued)

Description of Plan and Plan Benefits (Continued)

Employees participating in the supplemental pension plan consisted of the following on June 30, 2023, the measurement date:

Retirees currently receiving benefit payments	---
Active employees fully eligible but not yet receiving benefit payments	1
Active employees not fully eligible	<u>6</u>
Number of participating employees	<u><u>7</u></u>

Benefit Payments

For fiscal year 2024, the District paid \$-0- for supplemental pensions as benefits came due.

Total Supplemental Pension Liability

The District recognizes its *total supplemental pension liability*, rather than a *net supplemental pension liability*. In order for the District to recognize a *net supplemental pension liability*, assets must be accumulated in a trust that meets all of the following criteria:

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, non-employer contributing entities, the plan administrator, and plan members.

No assets are accumulated in a trust that meets all of the above criteria because the District's contributions are not irrevocable. Accordingly, the District's total supplemental pension liability is not reduced by any assets accumulated in a trust that meets the criteria and the District must report its total supplemental pension liability.

The District's total supplemental pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. Changes in the District's total supplemental pension liability were as follows:

Balance 6/30/23 - measurement date 6/30/22	\$	73,205
Changes for the year:		
Service cost		9,319
Interest on the total pension liability		3,115
Benefit payments		---
Differences between expected and actual experience		12,751
Changes of assumptions and other input		<u>404</u>
Net changes		<u>25,589</u>
Balance 6/30/24 - measurement date 6/30/23	\$	<u><u>98,794</u></u>

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

8. Supplemental Pension Plan (Continued)

Actuarial Assumptions

Actuarial assumptions used to determine the total supplemental pension liability as of June 30, 2024 were based on the results of an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020. Key assumptions, applied to all periods included in the measurement, are as follows:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Actuarial cost method	Entry age normal (level percent of salary)
Discount rate*	4.25% (based on all years of projected payments discounted at a municipal bond rate of 4.25%)
Municipal bond rate source	S&P Municipal Bond 20 Year High Grade Index
Mortality assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

* Implicit in this rate is an assumed rate of inflation of 2.50%

- The discount rate increased from 4.00% to 4.25% (based upon all years of projected payments discounted at a municipal bond rate of 4.25% versus 4.00% at prior measurement date).
- Mortality assumptions in the prior valuation were based on Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).
- Actuarial assumption in the prior valuation were based on were based on the results of an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

Discount Rate

The following presents the total supplemental pension liability calculated using the discount rate of 4.25%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1% lower (3.25%) or 1% higher (5.25%) than the current rate:

	1% Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	1% Increase to Discount Rate (5.25%)
Total supplemental pension liability	\$ 104,474	\$ 98,794	\$ 93,309

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

For the year ended June 30, 2024, the District recognized pension expense of \$7,450. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,688	\$ 41,126
Changes of assumptions or other input	4,342	11,846
	\$ 16,030	\$ 52,972

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

8. Supplemental Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Supplemental Pensions (Continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (revenues) as follows:

<u>Year Ended June 30,</u>		
2025	\$	(4,984)
2026		(4,984)
2027		(4,984)
2028		(4,984)
2029		(4,984)
Thereafter		(12,022)

9. Other Postemployment Benefits

Description of Plan and Plan Benefits

The District administers a single-employer defined benefit healthcare plan. The District offers voluntary retirement benefits to its teachers and administrators who have met the age and years of service requirements. In addition, the District's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. Both of these result in an other postemployment benefit ("OPEB"), the later commonly referred to as an implicit rate subsidy. OPEB are generally liquidated by the general fund.

Teachers at least age 57 with a minimum of 15 years of service are entitled to benefits that include annual medical premium contribution including HRA deductible reimbursements, limited to \$7,625/single and \$17,250/family. This is a change in benefit terms from the prior valuation when the contribution limits were \$7,500/single and \$17,000/family. The District's contributions will not exceed Medicare-eligibility. The duration of contributions is determined by years of service with the District as follow:

<u>Years of Service</u>	<u>Years of Coverage</u>
15 – 19 years	2 years
20 – 24 years	3 years
25 – 29 years	4 years
30 or more years	5 years

Eligible retired administrators receive grandfathered benefits that are no longer offered. These benefits include contributions to medical premiums for a specific period of time based on years of service. Employees participating in the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees currently receiving benefit payments	7
Active employees fully eligible but not yet receiving benefit payments	16
Active employees not fully eligible	<u>146</u>
Number of participating employees	<u>169</u>

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

9. Other Postemployment Benefits (Continued)

Total OPEB Liability

No assets are accumulated in a trust that meets all the criteria in GASB Statement No. 75, paragraph 4 because the District's contributions are not irrevocable. Accordingly, the District's total OPEB liability is not reduced by any assets accumulated in a trust that meets the criteria and the District must report its total OPEB liability.

The District's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. Changes in the District's total OPEB liability were as follows:

Balance 6/30/23 - measurement date 6/30/22	\$	2,272,614
Changes for the year:		
Service cost		135,836
Interest on the total OPEB liability		90,587
Changes of benefit terms		16,409
Differences between expected and actual experiences		(158,561)
Changes of assumptions and other input		28,506
Benefit payments		(151,702)
Net changes		<u>(38,925)</u>
Balance 6/30/24 - measurement date 6/30/23	\$	<u>2,233,689</u>

Actuarial Assumptions

Actuarial assumptions used to determine the total OPEB liability as of June 30, 2024 were based on the results of an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020. Key assumptions, applied to all periods included in the measurement, are as follows:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Actuarial cost method	Entry age normal (level percent of salary)
Medical care trend	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount rate*	4.25% (based on all years of projected payments discounted at a municipal bond rate of 4.25%)
Municipal bond rate source	S&P Municipal Bond 20 Year High Grade Index
Mortality assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

* Implicit in this rate is an assumed rate of inflation of 2.50%

- The discount rate increased from 4.00% to 4.25% (based upon all years of projected payments discounted at a municipal bond rate of 4.25% versus 4.00% at prior measurement date).
- Mortality assumptions in the prior valuation were based on Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).
- Actuarial assumption in the prior valuation were based on were based on the results of an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

9. Other Postemployment Benefits (Continued)

Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 4.25%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.25%) or 1% higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB liability	\$ 2,386,053	\$ 2,233,689	\$ 2,087,621

Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the healthcare cost trend rate of 7.0% (decreasing to 4.5%), as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.0% decreasing to 3.5%) or 1% higher (8.0% decreasing to 5.5%) than the current rate:

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	\$ 2,132,661	\$ 2,233,689	\$ 2,352,402

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$206,982. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 48,855	\$ 299,557
Change in assumptions or other inputs	226,542	325,469
Benefit payments subsequent to the measurement date	93,239	---
	<u>\$ 368,636</u>	<u>\$ 625,026</u>

The amount of \$93,239 reported as deferred outflows related to OPEB resulting from employer benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Year Ended June 30,</u>	
2025	\$ (35,850)
2026	(35,850)
2027	(35,850)
2028	(35,850)
2029	(35,850)
Thereafter	(170,379)

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

10. Limitation on School District Revenues

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

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

11. Risk Management

The School District of Kewaskum is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. There has been no reduction in insurance coverage in the prior year. Settled claims have not exceeded the commercial coverage in any of the past three years.

12. Commitments and Contingencies

From time to time, the District is involved in legal actions, most of which normally occur in governmental operations. Legal actions are generally defended by the District's various insurance carriers, since most claims brought against the District are covered by insurance policies. In the opinion of District management, any legal actions and any other proceedings known to exist at June 30, 2024 are not likely to have a material adverse impact on the District's financial position

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

The District has entered into a contract with a construction contractor for parking lot redevelopment at Kewaskum Elementary School. As of June 30, 2024, the contracted amount for this project was \$302,431, of which \$91,200 has been expended. The District also has a contract with an engineering and landscape architecture firm for design services related to the project. As of June 30, 2024, the contracted amount for the design services was \$39,890, of which \$26,892 has been expended.

13. Sponsorship Agreement

The District has an agreement with a local company ("Sponsor") for sponsorship of the District's video scoreboard. The agreement can be cancelled by the Sponsor or the District with 30-day's notice. Under this agreement the Sponsor will pay the District \$50,000. \$5,000 was paid during the June 30, 2024 fiscal year. The remaining payments are in accordance with the following schedule:

<u>Year ended June 30,</u>		
2025	\$	5,000
2026		5,000
2027		5,000
Total	\$	<u><u>15,000</u></u>

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Financial Statements
June 30, 2024
(Continued)

14. Effect of New Accounting Standards on Financial Statements

The Government Accounting Standards Board (GASB) has approved the following:

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

15. Correction of an Error

An adjustment has been made to the June 30, 2023, governmental activities net position. During the year ended June 30, 2024, the District discovered that certain capital assets were missing from the prior year fixed asset appraisal records. As a result, an adjustment was made to increase the governmental net capital asset and net position by \$52,251 as of June 30, 2023. The table below summarizes the effect of the error correction on beginning net position:

		<u>Governmental Activities</u>
6/30/2023, as previously reported	\$	22,818,435
Correction of an error		52,251
6/30/2023, as restated	\$	<u>22,870,686</u>

16. Restatements of Beginning Balances due to Change within Financial Reporting Entity

During June 30, 2024, fiscal year, the District reported the debt service fund as a major fund which was reported as a nonmajor fund in the prior year. The beginning balances of the debt service fund and combined nonmajor funds have been adjusted as of July 1, 2023 to reflect the reporting change, as follows:

Reporting Units Affected by Adjustments to Beginning Balances

**Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds**

		<u>Debt Service Fund</u>		<u>Nonmajor Funds</u>
6/30/2023, as previously reported	\$	---	\$	1,057,169
Change from nonmajor to major fund		725,854		(725,854)
6/30/2023, as adjusted	\$	<u>725,854</u>	\$	<u>331,315</u>

There was no impact on the governmental activities net position as previously reported on June 30, 2023 on the government-wide statement of activities.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Budgetary Comparison Schedule

General Fund

Year Ended June 30, 2024

	Fund 10 Budget			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local	\$ 9,227,513	\$ 9,227,513	\$ 9,395,231	\$ 167,718
Interdistrict	1,752,974	1,752,974	1,709,507	(43,467)
Intermediate	---	---	20,241	20,241
State	11,437,953	11,472,744	11,579,046	106,302
Federal	985,589	985,589	971,028	(14,561)
Other	138,065	138,065	132,878	(5,187)
Total revenues	<u>23,542,094</u>	<u>23,576,885</u>	<u>23,807,931</u>	<u>231,046</u>
Expenditures:				
Instruction:				
Current	10,350,368	10,346,593	10,045,086	301,507
Interdistrict	2,376,724	2,376,724	2,339,586	37,138
Capital outlay	4,674	20,515	18,400	2,115
Support Services:				
Current	8,691,803	8,657,098	8,340,238	316,860
Capital outlay	603,519	660,949	689,837	(28,888)
Debt service	36,252	36,252	36,252	---
Total expenditures	<u>22,063,340</u>	<u>22,098,131</u>	<u>21,469,399</u>	<u>628,732</u>
Excess of revenues over expenditures	<u>1,478,754</u>	<u>1,478,754</u>	<u>2,338,532</u>	<u>859,778</u>
Other Financing Sources (Uses):				
Operating transfers in (out)	(1,862,104)	(1,862,104)	(1,792,614)	69,490
Lease financing	383,350	383,350	383,350	---
Total other financing sources (uses)	<u>(1,478,754)</u>	<u>(1,478,754)</u>	<u>(1,409,264)</u>	<u>69,490</u>
Net change in fund balances	---	---	929,268	929,268
Fund Balances - Beginning of year	<u>5,271,672</u>	<u>5,271,672</u>	<u>5,271,672</u>	---
Fund Balances - End of year	<u>\$ 5,271,672</u>	<u>\$ 5,271,672</u>	<u>\$ 6,200,940</u>	<u>\$ 929,268</u>

See Independent Auditors' Report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Budgetary Comparison Schedule

Special Education Fund

Year Ended June 30, 2024

	<u>Fund 27 Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intermediate	\$ 5,200	\$ 5,200	\$ 12,419	\$ 7,219
State	754,492	754,492	737,440	(17,052)
Federal	658,579	685,279	668,348	(16,931)
Total revenues	<u>1,418,271</u>	<u>1,444,971</u>	<u>1,418,207</u>	<u>(26,764)</u>
Expenditures:				
Instruction:				
Current	2,643,430	2,641,655	2,547,041	94,614
Interdistrict	---	12,000	9,500	2,500
Support Services:				
Current	631,298	647,773	650,894	(3,121)
Total expenditures	<u>3,274,728</u>	<u>3,301,428</u>	<u>3,207,435</u>	<u>93,993</u>
Excess (deficiency) of revenues over expenditures	<u>(1,856,457)</u>	<u>(1,856,457)</u>	<u>(1,789,228)</u>	<u>67,229</u>
Other Financing Sources (Uses):				
Operating transfers in (out)	<u>1,856,457</u>	<u>1,856,457</u>	<u>1,789,228</u>	<u>(67,229)</u>
Net change in fund balances	---	---	---	---
Fund Balances - Beginning of year	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances - End of year	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

See Independent Auditors' Report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Budgetary Comparison Schedule

Food Service Fund

Year Ended June 30, 2024

	Fund 50 Budget			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Local	\$ 592,422	\$ 592,422	\$ 629,465	\$ 37,043
State	37,784	37,784	13,361	(24,423)
Federal	509,986	509,986	521,674	11,688
Other	8,000	8,000	7,161	(839)
Total revenues	<u>1,148,192</u>	<u>1,148,192</u>	<u>1,171,661</u>	<u>23,469</u>
Expenditures:				
Support Services:				
Current	1,188,747	1,188,747	1,188,681	66
Capital outlay	9,445	9,445	33,488	(24,043)
Total expenditures	<u>1,198,192</u>	<u>1,198,192</u>	<u>1,222,169</u>	<u>(23,977)</u>
Net change in fund balances	(50,000)	(50,000)	(50,508)	(508)
Fund Balances - Beginning of year	<u>679,446</u>	<u>679,446</u>	<u>679,446</u>	---
Fund Balances - End of year	<u>\$ 629,446</u>	<u>\$ 629,446</u>	<u>\$ 628,938</u>	<u>\$ (508)</u>

See Independent Auditors' Report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset (Liability)
Year Ended June 30, 2024

Wisconsin Retirement System
Last 10 Fiscal Years*

WRS Fiscal Year End Date	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
12/31/2014	0.0792%	\$ 1,945,783	\$ 10,654,676	18.26%	102.74%
12/31/2015	0.0777%	(1,262,198)	10,748,068	11.74%	98.20%
12/31/2016	0.0760%	(626,017)	10,799,020	5.80%	99.12%
12/31/2017	0.0748%	2,221,366	10,951,163	20.28%	102.93%
12/31/2018	0.0734%	(2,611,356)	11,032,674	23.67%	96.45%
12/31/2019	0.0716%	2,309,479	11,118,574	20.77%	102.96%
12/31/2020	0.0697%	4,353,916	11,380,805	38.26%	105.26%
12/31/2021	0.0680%	5,482,369	11,490,077	47.71%	106.02%
12/31/2022	0.0660%	(3,495,670)	11,474,519	30.46%	95.72%
12/31/2023	0.0637%	(946,843)	11,950,549	7.92%	98.85%

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

Schedule of Employer Contributions
Year Ended June 30, 2024

Wisconsin Retirement System
Last 10 Fiscal Years

Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 732,051	\$ 732,051	---	\$ 10,646,669	6.88%
6/30/2016	718,524	718,524	---	10,764,269	6.68%
6/30/2017	730,159	730,159	---	10,860,497	6.72%
6/30/2018	749,482	749,482	---	11,092,734	6.76%
6/30/2019	727,237	727,237	---	11,006,481	6.61%
6/30/2020	753,169	753,169	---	11,286,061	6.67%
6/30/2021	780,244	780,244	---	11,559,146	6.75%
6/30/2022	750,472	750,472	---	11,378,584	6.60%
6/30/2023	783,106	783,106	---	11,712,238	6.69%
6/30/2024	851,503	851,503	---	12,408,464	6.86%

See Independent Auditors' Report and accompanying notes to required supplementary information.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Schedule of Employer Contributions
Year Ended June 30, 2024

Wisconsin Retirement System
Last 10 Fiscal Years

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of
Amortization Period:	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from
Asset Valuation Method:	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
Actuarial Assumptions										
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:										
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases:										
Wage Inflation	3.0%	3.0%	3.0%	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement benefit Adjustments**	1.7%	1.9%	1.9%	1.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age (Experience based table of rates that are specific to the type of eligibility condition):	Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2021	Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011
Mortality:										
Table	2020 WRS Experience Tables	Wisconsin 2018 Actual WRS experience	Wisconsin 2018 Actual WRS experience	Wisconsin 2018 Actual WRS experience	Wisconsin 2012 Actual WRS experience	Wisconsin 2012 Actual WRS experience	Wisconsin 2012 Actual WRS experience	Wisconsin 2012 Actual WRS experience	Wisconsin 2012 Actual WRS experience	Wisconsin 2012 Actual WRS experience
Rate	adjustment for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010	adjustment for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	adjustment for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	adjustment for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	adjustment for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	adjustment for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	adjustment for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	projected to 2017 with scale BB to all for future improvements (margin) in mortality)	projected to 2017 with scale BB to all for future improvements (margin) in mortality)	projected to 2017 with scale BB to all for future improvements (margin) in mortality)

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

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Changes in Total Supplemental Pension Liability and Related Ratios
Year Ended June 30, 2024
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Total Supplemental Pension Liability								
Service cost	\$ 9,319	\$ 10,678	\$ 11,846	\$ 10,197	\$ 11,301	\$ 11,604	\$ 11,713	\$ 11,713
Interest	3,115	1,654	1,601	1,858	2,853	2,503	3,492	4,292
Change of benefit terms	---	---	---	---	---	---	---	---
Differences between expected and actual experiences	12,751	---	(5,587)	---	(36,997)	---	(28,265)	---
Changes of assumptions or other input	404	(7,298)	(4,932)	5,206	394	(1,378)	(2,449)	---
Benefit payments	---	---	---	---	---	(16,000)	(42,666)	(42,666)
Net change in total supplemental pension liability	25,589	5,034	2,928	17,261	(22,449)	(3,271)	(58,175)	(26,661)
Total supplemental pension liability - beginning	73,205	68,171	65,243	47,982	70,431	73,702	131,877	158,538
Total supplemental pension liability - ending	\$ 98,794	\$ 73,205	\$ 68,171	\$ 65,243	\$ 47,982	\$ 70,431	\$ 73,702	\$ 131,877
Covered payroll	\$ 794,615	\$ 738,500	\$ 738,500	\$ 797,500	\$ 797,500	\$ 787,435	\$ 787,435	\$ 945,843
Total supplemental pension liability as a percentage of covered payroll	12.4%	9.9%	9.2%	8.2%	6.0%	8.9%	9.4%	13.9%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

*GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

*The amounts presented for each fiscal year were determined as of the measurement date.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Schedule of Changes in Total OPEB Liability and Related Ratios

Year Ended June 30, 2024

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 135,836	\$ 174,081	\$ 188,703	\$ 150,713	\$ 134,356	\$ 139,966	\$ 139,966
Interest	90,587	56,182	59,501	82,876	80,751	74,590	73,247
Change of benefit terms	16,409	---	71,893	---	---	---	---
Differences between expected and actual experiences	(158,561)	(5,727)	(207,249)	---	83,750	---	---
Changes of assumptions or other input	28,506	(290,113)	(94,488)	215,963	97,122	(36,006)	---
Benefit payments	(151,702)	(143,457)	(173,667)	(210,241)	(169,027)	(138,027)	(211,639)
Net change in total OPEB liability	(38,925)	(209,034)	(155,307)	239,311	226,952	40,523	1,574
Total OPEB liability - beginning	2,272,614	2,481,648	2,636,955	2,397,644	2,170,692	2,130,169	2,128,595
Total OPEB liability - ending	\$ 2,233,689	\$ 2,272,614	\$ 2,481,648	\$ 2,636,955	\$ 2,397,644	\$ 2,170,692	\$ 2,130,169
Covered-employee payroll	\$ 10,884,771	\$ 10,097,957	\$ 10,097,957	\$ 9,477,256	\$ 9,477,256	\$ 7,085,472	\$ 7,085,472
Total OPEB liability as a percentage of covered-employee payroll	20.5%	22.5%	24.6%	27.8%	25.3%	30.6%	30.1%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

*GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

*The amounts presented for each fiscal year were determined as of the measurement date.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Required Supplementary Information
June 30, 2024

Note A – Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.D to the financial statements; however, the District adopts a budget for the special education fund which is reported with the general fund in accordance with GAAP. An explanation of the differences between revenues, expenditures, and other financing sources (uses) for budgetary funds on budgetary fund basis and a GAAP general fund basis is summarized below.

	General Fund	Special Education Fund
Revenues		
Actual amounts (budgetary basis)	\$ 23,807,931	\$ 1,418,207
Reclassification of special education	1,418,207	(1,418,207)
Total revenues (GAAP)	25,226,138	---
Expenditures		
Actual amounts (budgetary basis)	21,469,399	3,207,435
Reclassification of special education	3,207,435	(3,207,435)
Total expenditures (GAAP)	24,676,834	---
Excess of Revenues Over (Under) Expenditures		
Actual amounts (budgetary basis)	2,338,532	(1,789,228)
Reclassification of special education	(1,789,228)	1,789,228
Excess of revenues over (under) expenditures (GAAP)	549,304	---
Other Financing Sources (Uses)		
Actual amounts (budgetary basis)	(1,409,264)	1,789,228
Reclassification of special education	1,789,228	(1,789,228)
Total other financing sources (uses) (GAAP)	379,964	---
Net Change in Fund Balance		
Actual amounts (budgetary basis and GAAP)	929,268	---
Fund Balance – Beginning of year		
Actual amounts (budgetary basis and GAAP)	5,271,672	---
Fund Balance – End of year		
Actual amounts (budgetary basis and GAAP)	\$ 6,200,940	\$ ---

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Required Supplementary Information
June 30, 2024
(Continued)

Note B – Excess of Actual Expenditures over Budget in Individual Funds

The following general fund and food service fund functions had an excess of actual expenditures over budget for the year ended June 30, 2024:

<u>General:</u>	
Pupil services	\$ 17,437
Instructional staff services	364,091
Other non-program transactions	5,011
<u>Special education:</u>	
Business administration	\$ 40,193
<u>Food service:</u>	
Business administration	\$ 23,977

The excess expenditures were funded with revenues in excess of budget and existing fund balances.

Note C – Wisconsin Retirement System

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

Changes of assumptions:

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

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

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

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

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Required Supplementary Information
June 30, 2024
(Continued)

Note D – Supplemental Pension Plan Information

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 73, paragraph 4:

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, non-employer contributing entities, the plan administrator, and plan members.

There were no changes of benefit terms to the supplemental pension plan.

The following changes in actuarial assumption have been made in the years presented:

- The discount rate changed as can be seen in the following table:

Year Ended June 30	Discount Rate	Assumed rate of inflation
2017	3.00%	2.50%
2018	3.50%	2.50%
2019	3.75%	2.50%
2020	3.50%	2.50%
2021	2.25%	2.00%
2022	2.25%	2.00%
2023	4.00%	2.50%
2024	4.25%	2.50%

- Mortality assumptions for the years ended June 30, 2017 through June 30, 2019 was from the Wisconsin 2012 Mortality Table adjusted for future mortality improvements using the MP-2015 fully generated improvement scale multiplied 50%); for the years ended June 30, 2020 through June 30, 2023 this changed to Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%); for the year ended June 30, 2024 this changed to 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generated MP-2023 projection scale from a base year 2010.
- Actuarial assumptions used for the years ended June 30, 2017 through June 30, 2019 was based on an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-14; for the years ended June 30, 2020 through June 30, 2023 this changed to being based on the results of an experience conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017; for the year ended June 30, 2024 this changed to being based on the results of an experience conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Required Supplementary Information
June 30, 2024
(Continued)

Note E – OPEB Plan Information

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4:

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, non-employer contributing entities, the plan administrator, and plan members.

The Plan’s benefit terms have changed since the prior valuation, therefore a change in benefit terms was calculated that resulted in an increase in the Total OPEB Liability. Specifically, the District’s contribution limits towards retired teachers’ continued health coverage were increased to \$7,625 and \$17,250 for single and family coverage, respectively, from \$7,500 and \$17,000. Furthermore, the District is no longer providing HRA contributions of \$500/single and \$1,000/family to retirees as of the 2022-23 school year.

The following changes in actuarial assumption have been made in the years presented:

- The discount rate changed as can be seen in the following table:

Year Ended June 30	Discount Rate	Assumed rate of inflation
2018	3.50%	2.50%
2019	3.75%	2.50%
2020	3.50%	2.50%
2021	2.25%	2.00%
2022	2.25%	2.00%
2023	4.00%	2.50%
2024	4.25%	2.50%

- Mortality assumptions for the years ended June 30, 2017 through June 30, 2019 was from the Wisconsin 2012 Mortality Table adjusted for future mortality improvements using the MP-2015 fully generated improvement scale multiplied 50%); for the years ended June 30, 2020 through June 30, 2023 this changed to Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%); for the year ended June 30, 2024 this changed to 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generated MP-2023 projection scale from a base year 2010.
- Actuarial assumptions used for the years ended June 30, 2017 through June 30, 2019 was based on an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-14; for the years ended June 30, 2020 through June 30, 2023 this changed to being based on the results of an experience conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017; for the year ended June 30, 2024 this changed to being based on the results of an experience conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2024

	<u>Special Revenue Funds</u>		
	Other		
	Special	Community	
	<u>Revenue</u>	<u>Service</u>	<u>Total</u>
Assets:			
Cash	\$ 226,382	\$ ---	\$ 226,382
Investments	88,384	54,758	143,142
Inventory	---	---	---
Due from other governments	---	27,478	27,478
Total assets	<u>\$ 314,766</u>	<u>\$ 82,236</u>	<u>\$ 397,002</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 4,213	\$ 27,478	\$ 31,691
Accrued salaries and related items	---	312	312
Unearned revenue	---	---	---
Due to other funds	---	17,364	17,364
Total liabilities	4,213	45,154	49,367
Fund Balances:			
Nonspendable	---	---	---
Restricted	310,553	---	310,553
Assigned	---	37,082	37,082
Total fund balance	<u>310,553</u>	<u>37,082</u>	<u>347,635</u>
Total liabilities and fund balances	<u>\$ 314,766</u>	<u>\$ 82,236</u>	<u>\$ 397,002</u>

See Independent Auditors' Report.

SCHOOL DISTRICT OF KEWASKUM

Kewaskum, Wisconsin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue Funds					
	Other	Special <u>Revenue</u>	Community <u>Service</u>	Package- <u>Cooperative</u>	Debt <u>Service</u>	<u>Total</u>
Revenues:						
Local	\$ 419,644	\$ 106,890	\$ 2,846	\$ ---	\$ 529,380	
State	---	---	---	---	---	
Federal	---	27,478	---	---	27,478	
Other	---	---	---	---	---	
Total revenues	419,644	134,368	2,846	---	556,858	
Expenditures:						
Instruction:						
Current	348,707	---	6,232	---	354,939	
Support Services:						
Current	61,584	127,401	---	---	188,985	
Capital outlay	---	---	---	---	---	
Debt service	---	---	---	---	---	
Total expenditures	410,291	127,401	6,232	---	543,924	
Excess (deficiency) of revenues over expenditures	9,353	6,967	(3,386)	---	12,934	
Other Financing Sources:						
Operating transfers	---	---	3,386	---	3,386	
Net change in fund balances	9,353	6,967	---	---	16,320	
Fund Balances - Beginning of year, as previously presented	301,200	30,115	---	725,854	1,057,169	
Change within the financial reporting entity (nonmajor to major fund)	---	---	---	(725,854)	(725,854)	
Fund Balances - Beginning of year as adjusted	301,200	30,115	---	---	331,315	
Fund Balances - End of year	\$ 310,553	\$ 37,082	\$ ---	\$ ---	\$ 347,635	

See Independent Auditors' Report.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Expenditures of State Awards
Year Ended June 30, 2024

Awarding Agency Pass-Through Agency <u>Award Description</u>	State I.D. <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Accrued or (Unearned) Revenue at <u>7/1/23</u>	<u>Receipts</u>	State Disbursements/ <u>Expenditures</u>	Accrued or (Unearned) Revenue at <u>6/30/24</u>	Subrecipient <u>Awards</u>
Wisconsin Department of Public Instruction							
Special education and school-age parents **							
Direct award from Wisconsin Department of Public Instruction	255.101	662800-100	\$ ---	\$ 732,143	\$ 732,143	\$ ---	\$ ---
Passed through CESA 6	255.101	749906-100	13,414	13,414	12,419	12,419	---
Total special education and school-age parents			13,414	745,557	744,562	12,419	---
State school lunch	255.102	662800-107	---	9,601	9,601	---	---
Common school fund library aid	255.103	662800-104	---	134,791	134,791	---	---
General transportation aid	255.107	662800-102	---	81,811	81,811	---	---
Equalization aids	255.201	662800-116	---	9,080,775	9,080,775	---	---
High cost special education aid	255.210	662800-119	---	804	804	---	---
School based mental health services	255.297	662800-177	18,371	78,005	59,634	---	---
Peer review and mentoring	255.301	662800-141	24,700	24,700	---	---	---
State school breakfast aid	255.344	662800-108	---	3,760	3,760	---	---
Educator effectiveness evaluation system grant	255.940	662800-154	---	11,120	11,120	---	---
Per pupil aid	255.945	662800-113	---	1,340,794	1,340,794	---	---
Career and technical education initiative grant	255.950	662800-152	---	37,113	37,113	---	---
Aid for special education transition grant BBL	255.960	662800-168	---	4,493	4,493	---	---
Total Wisconsin Department of Public Instruction			<u>56,485</u>	<u>11,553,324</u>	<u>11,509,258</u>	<u>12,419</u>	<u>---</u>
Wisconsin Higher Educational Aids Board							
Dual enrollment credential grant	235.150	Not available	699	699	---	---	---
Wisconsin Department of Workforce Development							
Passed through CESA 6							
Youth apprenticeship grant	445.112	Not available	---	2,163	2,163	---	---
Total			<u>\$ 57,184</u>	<u>\$ 11,556,186</u>	<u>\$ 11,511,421</u>	<u>\$ 12,419</u>	<u>\$ ---</u>

** Total DPI aidable expenditures for the year ended June 30, 2024 were \$2,591,247.

See Independent Auditors' Report and accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Awarding Agency	Assistance	Pass-Through	Accrued or			Accrued or		
Pass-Through Agency	Listing	Entity Identifying	(Unearned)	Federal	Federal	(Unearned)	Subrecipient	
<u>Award Description</u>	<u>Number</u>	<u>Number</u>	Revenue at	Disbursements/	Revenue at	Revenue at	Awards	
			<u>7/1/23</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>6/30/24</u>		
U.S. Department of Agriculture								
Passed through Wisconsin Department of Public Instruction:								
<i>Child Nutrition Cluster:</i>								
<i>School Breakfast Program:</i>								
Food Service Aid - Breakfast	10.553	2024-662800-DPI-SB-546	\$ 751	\$ 64,327	\$ 64,215	\$ 639	\$	---
<i>National School Lunch Program:</i>								
Donated Commodities - noncash	10.555	N/A	---	107,742	107,742	---	---	---
Food Service Aid - Lunch	10.555	2024-662800-DPI-NSL-547	4,158	350,074	349,718	3,802	---	---
<i>Total National School Lunch Program</i>			4,158	457,816	457,460	3,802	---	---
<i>Total Child Nutrition Cluster</i>			4,909	522,143	521,675	4,441	---	---
Total U.S. Department of Agriculture			4,909	522,143	521,675	4,441	---	---
U.S. Department of Health and Human Services								
Passed through CESA 6:								
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Not Available	---	10,978	10,978	---	---	---
Passed through Wisconsin Department of Health Services:								
<i>Medicaid Cluster:</i>								
Medical Assistance Program	93.778	44214100	---	168,488	168,488	---	---	---
<i>Total Medicaid Cluster</i>			---	168,488	168,488	---	---	---
Total U.S. Department of Health and Human Services			---	179,466	179,466	---	---	---
U.S. Department of Education								
Passed through Wisconsin Department of Public Instruction:								
Title II-A Teacher Principal Training	84.367A	2024-662800-DPI-TIIA-365	2,800	14,647	13,969	2,122	---	---
Title I-A Basic	84.010A	2024-662800-DPI-TI-A-141	25,371	79,385	92,603	38,589	---	---
Title IV-A Student Support and Academic Enrichment	84.424A	2024-662800-DPI-TIVA-381	5,507	14,565	9,899	841	---	---
<i>Education Stabilization Funds:</i>								
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	2022-662800-DPI-ESSERFIII-165	119,070	298,150	316,750	137,670	---	---
COVID-19 - ARPA-General Education	84.425U	2022-662800-DPI-EBIS-165	---	297,970	481,769	183,799	---	---
COVID-19 - ESSER III Summer Program Grant	84.425U	2023-662800-DPI-ESF-Summer-165	54,758	54,758	27,478	27,478	---	---
<i>Total Education Stabilization Funds</i>			173,828	650,878	825,997	348,947	---	---
<i>Special Education Cluster:</i>								
<i>Special Education - Grants to State:</i>								
IDEA Flow Through	84.027A	2024-662800-DPI-FLOW-341	162,299	526,536	529,640	165,403	---	---
<i>Special Education - Preschool Grants:</i>								
IDEA Preschool Entitlement	84.173A	2024-662800-DPI-PRESCH-347	5,758	21,050	26,257	10,965	---	---
<i>Total Special Education Cluster</i>			168,057	547,586	555,897	176,368	---	---
Passed through CESA 6:								
Career and Technical Education	84.048	2024-749906-DPI-Reserve-422	---	7,102	7,102	---	---	---
Total U.S. Department of Education			375,563	1,314,163	1,505,467	566,867	---	---
Total			\$ 380,472	\$ 2,015,772	\$ 2,206,608	\$ 571,308	\$	---

See Independent Auditors' Report and accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Notes to Schedules of Expenditures of Federal and State Awards
June 30, 2024

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Wisconsin State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other government agencies are included on the schedule.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance and *Wisconsin 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.

3. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Noncash Awards

The federal donated commodities in the Child Nutrition Cluster is administered by the U.S. Department of Agriculture and passed through the Wisconsin Department of Instruction and transactions relating to this program are included in the District's basic financial statements. Commodities received during the year are included in the federal expenditures presented in the Schedule. There are no balances outstanding as of June 30, 2024.



**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**

To the School Board
School District of Kewaskum
Kewaskum, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Kewaskum (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 15, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 have not been identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

Reilly, Penner & Benton LLP

November 15, 2024
Milwaukee, Wisconsin



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

To the School Board
School District of Kewaskum
Kewaskum, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited School District of Kewaskum's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and Wisconsin State Single Audit Guidelines 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Wisconsin State Single Audit Guidelines. Our responsibilities under those standards, Uniform Guidance and Wisconsin 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.

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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Wisconsin 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Wisconsin 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 Wisconsin 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 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.

Report on Internal Control Over Compliance (Continued)

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 Wisconsin State Single Audit Guidelines. Accordingly, this report is not suitable for other purposes.

Reilly, Penner & Benton LLP

November 15, 2024
Milwaukee, Wisconsin

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Prior Audit Findings
Year Ended June 30, 2024

No matters were reported in the prior year.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

A. Summary of Auditors Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| A. Material weakness(es) identified? | No |
| B. Significant deficiency(ies) identified? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| A. Material weakness(es) identified: | No |
| B. Significant deficiency(ies) identified? | None reported |
| 5. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No |
| 7. Identification of major programs: | |

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
	<i>Special Education Cluster:</i>
84.027A	IDEA Flow Through
84.173A	IDEA Preschool Entitlement

- | | |
|--|-----------|
| 8. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024
(Continued)

A. Summary of Auditors Results (Continued)

State Awards

10. Internal control over major programs:

- | | |
|--|---------------|
| A. Material weakness(es) identified | No |
| B. Significant deficiency(ies) identified that are not considered to be material weakness? | None reported |

11. Type of auditor’s report issued on compliance for major programs: Unmodified

12. Any audit findings disclosed that are required to be reported in accordance with Wisconsin State Single Audit Guidelines? No

13. Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special education and school-age parents
	<i>General Aids Cluster:</i>
255.201	Equalization aid

14. Dollar threshold used to distinguish between type A and type B programs \$345,343

B. Financial Statement Findings

No matters were reported.

C. Federal and State Award Findings and Questioned Costs

No matters were reported.

SCHOOL DISTRICT OF KEWASKUM
Kewaskum, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024
(Continued)

D. Other Issues

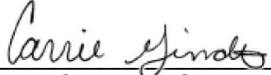
1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the Wisconsin State Single Audit Guidelines:

Department of Public Instruction No

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

4. Name and signature of partner



Carrie A. Gindt

5. Date of Report

November 15, 2024