



# SCHOOL DISTRICT OF OAKFIELD

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024



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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Oakfield School District  
Oakfield, 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 Oakfield School District ("District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Oakfield School 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 Oakfield School 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oakfield School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oakfield School 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 Oakfield School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of district's proportionate share of the net pension liability (asset), district's pension contributions, and changes in district's total OPEB liability and related ratios, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Oakfield School 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 Oakfield School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oakfield School District's internal control over financial reporting and compliance.



Fond du Lac, Wisconsin  
December 11, 2024

## **BASIC FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF OAKFIELD  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS**

Cash and investments	\$ 4,415,275
Taxes receivable	832,430
Accounts receivable	30,560
Lease receivable	1,710,499
Due from other governments	408,683
Prepaid expenses	40,729
Capital assets:	
Non-depreciable/amortizable	174,154
Depreciable/amortizable, net	<u>20,181,822</u>
Total Assets	<u>27,794,152</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Other postemployment benefit sources	61,960
Pension sources	<u>2,938,806</u>
Total Deferred Outflows of Resources	<u>3,000,766</u>

**LIABILITIES**

Accounts payable	249,540
Payroll taxes and fringe benefits	264,456
Accrued interest	129,013
Noncurrent Liabilities:	
Due within one year	469,342
Due in more than one year	14,893,587
Other post-employment benefits	35,607
Net pension liability	<u>345,148</u>
Total Liabilities	<u>16,386,693</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	1,583,701
Other postemployment benefit sources	257,108
Pension sources	<u>1,846,188</u>
Total Deferred Inflows of Resources	<u>3,686,997</u>

**NET POSITION**

Net investment in capital assets	4,993,047
Restricted for:	
Food service operations	106,747
Pension benefits	747,470
Capital projects	1,442,112
Trust fund contributions	167,313
Unrestricted	<u>3,264,539</u>
Total Net Position	<u>\$ 10,721,228</u>

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



SCHOOL DISTRICT OF OAKFIELD  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 3,830,638	\$ 1,025,351	\$ 1,041,050	\$ (1,764,237)
Vocational	284,999	75,821	5,197	(203,981)
Special education	826,281	-	357,397	(468,884)
Other	900,655	250,138	-	(650,517)
Total Instruction	5,842,573	1,351,310	1,403,644	(3,087,619)
Support Services:				
Pupil services	405,820	-	29,238	(376,582)
Instructional staff services	336,356	-	152,342	(184,014)
Administration	1,079,023	-	-	(1,079,023)
Building and grounds	854,614	121,007	-	(733,607)
Pupil transportation	322,325	-	38,209	(284,116)
Central services	14,830	-	100	(14,730)
Administrative technology	436,021	-	-	(436,021)
Insurance	60,193	-	-	(60,193)
Interest and fees	600,934	-	-	(600,934)
Food service	143,474	109,983	125,868	92,377
Community services	520,388	476,738	-	(43,650)
Other support services	52,238	-	2,090	(50,148)
Depreciation/amortization - unallocated	184,149	-	-	(184,149)
Total Support Services	5,010,365	707,728	347,847	(3,954,790)
<b>Total Governmental Activities</b>	<b>\$ 10,852,938</b>	<b>\$ 2,059,038</b>	<b>\$ 1,751,491</b>	<b>(7,042,409)</b>
<b>General Revenues:</b>				
Property taxes:				
General purposes				2,455,348
Debt services				1,030,148
State and federal aids not restricted to specific functions:				
General				3,736,558
Other				154,762
Interest and investment earnings				372,484
Loss on disposal of capital assets				(128,572)
Miscellaneous				394,741
<b>Total General Revenues</b>				<b>8,015,469</b>
<b>Change in Net Position</b>				<b>973,060</b>
<b>Net Position:</b>				
Net position - beginning, as previously reported				9,280,547
Restatement for correction of an error				467,621
Net position - beginning, as restated				9,748,168
Net position - ending				<b>\$ 10,721,228</b>

SCHOOL DISTRICT OF OAKFIELD  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General	Debt Service	Long Term Capital Improvement Trust	Community Service	Other Capital Projects	Other Governmental	Total Governmental
<b>ASSETS</b>							
Cash and investments	\$ 1,652,961	\$ 336,569	\$ 1,167,112	\$ 29,835	\$ 958,365	\$ 270,433	\$ 4,415,275
Taxes receivable	832,430	-	-	-	-	-	832,430
Accounts receivable	22,793	-	-	-	-	7,767	30,560
Lease receivable	1,710,499	-	-	-	-	-	1,710,499
Due from other governments	394,886	-	-	-	-	13,797	408,683
Due from other funds	-	-	275,000	-	-	-	275,000
Prepaid expenses	40,729	-	-	-	-	-	40,729
<b>Total Assets</b>	<b>\$ 4,654,298</b>	<b>\$ 336,569</b>	<b>\$ 1,442,112</b>	<b>\$ 29,835</b>	<b>\$ 958,365</b>	<b>\$ 291,997</b>	<b>\$ 7,713,176</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 52,550	\$ -	\$ -	\$ 2,483	\$ 187,503	\$ 7,004	\$ 249,540
Payroll taxes and fringe benefits	264,456	-	-	-	-	-	264,456
Due to other funds	275,000	-	-	-	-	-	275,000
Total Liabilities	592,006	-	-	2,483	187,503	7,004	788,996
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	1,572,768	-	-	-	-	10,933	1,583,701
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid expenses	40,729	-	-	-	-	-	40,729
Restricted for:							
Trust fund contributions	-	-	-	-	-	167,313	167,313
Food service operations	-	-	-	-	-	106,747	106,747
Debt service	-	336,569	-	-	-	-	336,569
Capital projects	-	-	-	-	770,862	-	770,862
Committed	-	-	1,442,112	-	-	-	1,442,112
Unassigned	2,448,795	-	-	27,352	-	-	2,476,147
Total Fund Balances	2,489,524	336,569	1,442,112	27,352	770,862	274,060	5,340,479
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,654,298</b>	<b>\$ 336,569</b>	<b>\$ 1,442,112</b>	<b>\$ 29,835</b>	<b>\$ 958,365</b>	<b>\$ 291,997</b>	

Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:

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

Governmental capital assets	\$ 27,384,694	
Governmental accumulated depreciation/amortization	(7,028,718)	20,355,976
Deferred outflows of resources (related to pensions)		2,938,806
Deferred outflows of resources (related to other postemployment benefits)		61,960
Deferred inflows of resources (related to pensions)		(1,846,188)
Deferred inflows of resources (related to other postemployment benefits)		(257,108)

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

General obligation debt	(15,300,504)	
Lease liability - right-to-use	(62,425)	
Net pension (liability) asset	(345,148)	
Other post-employment benefits	(35,607)	
Accrued interest of general obligation debt	(129,013)	(15,872,697)
Total Net Position - Governmental Activities		<b>\$ 10,721,228</b>

SCHOOL DISTRICT OF OAKFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024

	General	Debt Service	Long Term Capital Improvement Trust	Community Service	Other Capital Projects	Other Governmental	Total Governmental
<b>REVENUES:</b>							
Property taxes	\$ 2,455,348	\$ 1,030,148	\$ -	\$ -	\$ -	\$ -	\$ 3,485,496
Other local sources	295,867	16,049	59,698	478,906	174,650	430,659	1,455,829
Interdistrict sources	1,298,452	-	-	-	-	-	1,298,452
Intermediate sources	12,528	-	-	-	-	-	12,528
State sources	4,732,332	-	-	-	-	2,277	4,734,609
Federal sources	772,083	-	-	-	-	123,591	895,674
Other sources	71,981	-	-	-	-	-	71,981
<b>Total Revenues</b>	<b>9,638,591</b>	<b>1,046,197</b>	<b>59,698</b>	<b>478,906</b>	<b>174,650</b>	<b>556,527</b>	<b>11,954,569</b>
<b>EXPENDITURES:</b>							
Instruction:							
Regular instruction	3,891,184	-	-	-	-	-	3,891,184
Vocational	287,530	-	-	-	-	-	287,530
Special	839,180	-	-	-	-	-	839,180
Other	588,500	-	-	-	-	342,248	930,748
Total Instruction	5,606,394	-	-	-	-	342,248	5,948,642
Support Services:							
Pupil services	416,321	-	-	-	-	-	416,321
Instructional staff services	328,794	-	-	-	-	-	328,794
Administration	1,079,815	-	-	-	-	-	1,079,815
Building and grounds	1,006,427	-	-	852	8,248,263	-	9,255,542
Pupil transportation	321,275	-	-	1,050	-	-	322,325
Central services	14,830	-	-	-	-	-	14,830
Administrative technology	436,021	-	-	-	-	-	436,021
Insurance	60,193	-	-	-	-	-	60,193
Principal and interest	19,607	900,658	-	-	-	-	920,265
Food service	-	-	-	-	-	239,083	239,083
Community services	-	-	-	526,600	-	-	526,600
Other support services	49,468	-	-	-	-	2,789	52,257
Total Support Services	3,732,751	900,658	-	528,502	8,248,263	241,872	13,652,046
<b>Total Expenditures</b>	<b>9,339,145</b>	<b>900,658</b>	<b>-</b>	<b>528,502</b>	<b>8,248,263</b>	<b>584,120</b>	<b>19,600,688</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>299,446</b>	<b>145,539</b>	<b>59,698</b>	<b>(49,596)</b>	<b>(8,073,613)</b>	<b>(27,593)</b>	<b>(7,646,119)</b>
<b>Other Financing Sources (Uses):</b>							
Proceeds from lease	25,296	-	-	-	-	-	25,296
Transfer from general fund	-	-	275,000	-	-	-	275,000
Transfer to long-term capital improvement fund	(275,000)	-	-	-	-	-	(275,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(249,704)</b>	<b>-</b>	<b>275,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,296</b>
<b>Net Change in Fund Balances</b>	<b>49,742</b>	<b>145,539</b>	<b>334,698</b>	<b>(49,596)</b>	<b>(8,073,613)</b>	<b>(27,593)</b>	<b>(7,620,823)</b>
<b>Fund Balances:</b>							
Beginning of year, as previously reported	2,439,782	-	-	76,948	8,567,884	1,409,067	12,493,681
Restatement for correction of an error	-	191,030	-	-	276,591	-	467,621
Restatement - changes from nonmajor fund to major fund	-	-	1,107,414	-	-	(1,107,414)	-
Beginning of year, as restated	<u>2,439,782</u>	<u>191,030</u>	<u>1,107,414</u>	<u>76,948</u>	<u>8,844,475</u>	<u>301,653</u>	<u>12,961,302</u>
End of year	\$ 2,489,524	\$ 336,569	\$ 1,442,112	\$ 27,352	\$ 770,862	\$ 274,060	\$ 5,340,479

**SCHOOL DISTRICT OF OAKFIELD  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (7,620,823)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the statement of activities.

Capital outlay reported in governmental fund statements	\$ 8,758,236	
Depreciation and amortization expense reported in the statement of activities	<u>(423,215)</u>	8,335,021

The District disposed of outdated assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of net position as a net gain and has no affect on the governmental funds balance sheet. Proceeds from the disposal of capital assets are reported as revenue in governmental funds, however, the gain or loss is recognized in the statement of activities.

Capital assets disposed of during the year	(344,979)	
Depreciation recapture for the year	<u>216,407</u>	(128,572)

Right-to-use leases are reported in governmental funds as an other financing source but are reported as an increase in outstanding long-term obligations in the statement of net position and does not affect the statement of activities. Lease payments are reported in the governmental funds as an expenditure but are reported as a reduction in long-term obligations in the statement of net position and does not affect the statement of activities.

Right- to-use lease proceeds	(25,296)	
Right-to-use lease payments during the year	<u>17,291</u>	(8,005)

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

Net (increase) decrease in other post-employment benefits	20,005	
Net (increase) decrease in pension benefits	<u>73,393</u>	93,398

Bond proceeds provide current financial resources to governmental funds; but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

Long-term debt principal payments in the current year		300,290
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In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.

The amount of interest paid during the current period	620,658	
The amount of interest accrued during the period	<u>(618,907)</u>	<u>1,751</u>

Change in Net Position - Governmental Activities		<u>\$ 973,060</u>
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**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the School District of Oakfield (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

**Reporting Entity**

The School District of Oakfield is organized as a common school district governed by an elected seven-member school board. The District operates grades four-year old kindergarten through grade 12 and is comprised of all or part of seven taxing districts. In accordance with GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements.

**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 nonexchange transactions. Business-type activities are financed in part by fees charged to external parties. The District does not operate any business-type activities.

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 for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:*

The fund statements provide information about the District’s funds. Separate statements for each governmental fund category are presented. The District has no proprietary, fiduciary or internal service funds. Funds are organized as major funds or nonmajor funds within the governmental fund statements. An emphasis is placed on major fund, each displayed in a separate column. All remaining funds of a fund category are aggregated and reported as nonmajor funds.

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

The District reports the following major governmental funds:

General fund – This is the District’s primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund. The general fund includes all activity of the special education fund.

Long term capital improvement trust fund – The District reports a long-term capital improvement trust fund which accounts for resources to be used for future capital projects as defined in their capital improvement plan.

Community service fund – This fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool daycare services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community.

Debt service fund This fund is used to account for transactions for the repayment of debt issues that were authorized by school board resolution for an approved referendum.

Other capital projects fund - This fund is used for capital expenditures financed through issuance of debt such as bonds, promissory notes, state trust fund loans, or land contracts. In some instances, capital projects in this fund may be funded through other sources of revenues such as gifts, grants, sale of capital equipment, buildings or sites.

Non-major funds include the long-term capital improvement trust, special revenue, and food service.

The District does not operate any fiduciary funds.

**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 transactions take place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and similar items are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Measurement Focus and Basis of Accounting – continued**

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

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net positions 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.

**Cash and Investments**

The District's cash consist of cash on hand, demand deposits, and short-term investments with original maturities of six months or less from date of acquisition. Investments are stated at fair value. Fair values is the price that would be received to sell an asset in a orderly transaction between market participants at the measurement date. Investment of District funds is restricted by state statutes. Available investments are limited to:

- 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.
- 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, local professional stadium district, or local cultural arts district created under subchapter II, III, IV or V of chapter 229 of the Wisconsin statutes, or bonds issued by the University of Wisconsin Hospitals or Clinics Authority or the Wisconsin Aerospace Authority.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Cash and Investments - Continued**

- 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 limited to bonds issued or guaranteed as to principal and interest by the federal government, or by a commission, board, or other instrumentality of the federal government or repurchase agreements fully collateralized by bonds or securities, subject to various conditions and investment options.
- A local government investment pool, subject to certain conditions.

**Property Tax Levy**

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

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

**Accounts Receivable**

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of probable losses determined principally on the basis of historical experience. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for doubtful accounts. As of June 30, 2024, there was no allowance for doubtful accounts.



**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Internal Receivables and Payables**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advanced from and to other funds.” Interfund receivables and payable between funds within governmental activities are eliminated in the statement of net position.

**Prepaid Items**

Certain payments to vendors reflect costs that will benefit to future accounting periods and are recorded as prepaid items and are accounted for on the consumption method. Prepaid items of government fund types in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable, available financial resources.

**Fair Value Measurements**

Fair value is defined as the exchange price (an exit price) that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Capital Assets**

*District-wide Statements*

In the district-wide financial statements, property and equipment are accounted for as capital assets. Capital assets are defined by the District as assets with a useful life in excess of one year with an initial, individual cost of \$5,000 or higher. Capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation as follows:

Site improvements	20 years
Buildings and improvements	7-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

**Compensated Absences**

Employees can request up to 2 days a school year of personal leave, which will be deducted from the employee’s accumulated sick leave days. The District allows accumulation of sick leave of 1 day per month of employment up to 10 days per contract year. Any unused sick days are accrued in the employees sick leave bank up to 108 days. Upon retirement, employees can receive payment for unused sick time up to 108 days converting to \$250 per day. The amount shall be issued in a form of cash to the retired staff.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Long-term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Leases and Technology Arrangements**

A lease is defined as a contract that conveys controls of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction based on GASB Statement No. 87, *Leases*. A subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specific in the contract for a period of time in an exchange or exchange-like transaction based on GASB Statement No. 96, *SBITAs*.

*As Lessee:*

The District currently leases various equipment that meets the definition of a lease. At commencement, the District recognizes a lease liability and an intangible right-to-use asset in the district-wide financial statements. Initially, the District determines the lease term and discount rate and measures the lease liability calculated at the present value of payments expected to be made during the lease term. As payments are made by the District, the lease liability is reduced by the principal portion. Lease liabilities are reported with the long-term obligations on the statement of net position.

To determine the discount rate, the District uses the rate implicit in the lease. If the rate is not stated by the lessor, the District defers to GASB Statement No. 62, *Codification* for imputing an interest rate for agreements with no implicit rate. The lease term includes the noncancelable period plus any options to extend if it is reasonably certain the District will exercise the option and any options to terminate if it is reasonably certain the District will not exercise the option.

An intangible right-to-use asset is amortized on a straight line basis over the life of the lease and is reported in the district-wide financial statements as a Leased Asset (Right-to-Use).

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**Leases** – continued

Short-term leases with a maximum possible term under the lease of 12 months or less including options to extend, regardless of their probability of being exercised, are excluded from GASB Statement No. 87. Instead, payments are expensed as incurred and lease liabilities or right-to-use assets are not reflected on the district-wide financial statements.

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. The District will remeasure the lease liability at subsequent financial reporting dates if there are changes in circumstances requiring remeasurement.

*As Lessor:*

The District is currently the lessor of various equipment that meets the definition of a lease. At commencement, the District recognizes a lease receivable based on the present value of expected lease payments over lease term and a corresponding deferred inflow of resources in the district-wide financial statements. Initially, the District determines the lease term and discount rate and measures the lease receivable calculated at the present value of payments expected to be made during the lease term. As payments are made by the lessee, the lease receivable is reduced by the principal portion. For fund financial statements, revenue is recognized over the lease term in a systematic and rational manner using straight-line amortization.

To determine the discount rate, the District uses the rate implicit in the lease. If the rate is not stated by the lessor, the District defers to GASB Statement No. 62, Codification for imputing an interest rate for agreements with no implicit rate. The lease term includes the noncancelable period plus any options to extend if it is reasonably certain the District will exercise the option and any options to terminate if it is reasonably certain the District will not exercise the option.

Short-term leases with a maximum possible term under the lease of 12 months or less including options to extend, regardless of their probability of being exercised, are excluded from GASB Statement No. 87. Instead, payments are recorded as income and lease receivables or deferred inflow of resources are not reflected on the district-wide financial statements.

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. The District will remeasure the lease receivable at subsequent financial reporting dates if there are changes in circumstances requiring remeasurement.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**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 refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Post-employment Benefits Other than Pensions (OPEB)**

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the District's OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the District's OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments, which are reported at cost.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. Deferred inflows of resources are an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**Equity Classifications**

*District-wide Statements:*

Net position is classified in three components. Resources are used in the following order: restricted and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements:*

The District reports its fund balance classifications in five components. Resources are used in the following order: restricted, committed, assigned and unassigned. Assigned fund balance is established by the District Administrator or the Board of Education through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, food service, debt service, or for other purposes).

Nonspendable – Amounts that cannot be spent because of their form or because they must be maintained intact.

Restricted – Amounts with limitations placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed – Amounts with limitations imposed prior to the end of the period by the highest level of decision making and would require formal action at the same level to remove.

Assigned – Amounts intended to be used and established by the highest level of decision making, a body designated for that purpose, or by an official designated for that purpose.

Unassigned – All other amounts that do not meet the definition of nonspendable, restricted, committed or assigned.

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**Estimates**

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

**New GASB Pronouncements/Change in Accounting Principle**

During the year ended June 30, 2024, the District implemented the following statements of financial accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*. This Statement improves the clarity in the accounting and financial reporting requirements for three types of accounting changes and the correction of errors, which will result in greater consistency in application. During the year ended June 30, 2024, there were no changes in accounting principles or change in estimates. The changes were within the reporting entity and corrections of errors.

Additionally, GASB has also issued the following standards which will be effective in subsequent years:

Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. This Statement modifies disclosure requirements that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation, which will improve the consistency with the application and will eliminate comparability issues between governments with different types of leave.

Statement No.102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow or resources. Constraint is defined as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Statement. No.103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE B - ACCOUNTING CHANGES**

During the fiscal year ended June 30, 2024, the District reclassified the Long Term Capital Improvement Trust to a major fund. Additionally, there was correction of an error from the year ending June 30, 2023. The district adjusted the cash activity and recognition of issuance costs from a debt refinance between the other capital project and debt service funds. In the prior period, the adjustment resulted in a \$191,030 increase in the net change in fund balance for debt service and a \$276,591 increase in the net change in fund balance for other capital projects. The effect of the change is presented to the financial statements and on the table below:

	Beginning of year, as previously reported	Change within the financial reporting entity	Error Correction	Beginning of year, as restated
<b>Government-wide</b>				
Governmental activities	\$ 9,280,547	\$ -	\$ 467,621	\$ 9,748,168
<b>Governmental funds</b>				
Major funds:				
General Fund	\$ 2,439,782	\$ -	\$ -	\$ 2,439,782
Debt Service	-	-	191,030	191,030
Long Term Capital Improvement Trust	-	1,107,414	-	1,107,414
Community Service	76,948	-	-	76,948
Other Capital Projects	8,567,884	-	276,591	8,844,475
Nonmajor funds	1,409,067	(1,107,414)	-	301,653
<b>Total governmental funds</b>	<b>\$ 12,493,681</b>	<b>\$ -</b>	<b>\$ 467,621</b>	<b>\$ 12,961,302</b>

**NOTE C - CASH AND INVESTMENTS**

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposit and \$250,000 for demand deposit, both interest-bearing and noninterest-bearing. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered, total recovery of insured losses may not be available. This coverage has not been considered in computing the amounts in Category 1 below.



**SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024**

**NOTE C – CASH AND INVESTMENTS – Continued**

The District’s deposits and investments are categorized to give an indication of the level of custodial credit risk assumed by the District at year-end. Category 1 includes items that are insured or registered or which are collateralized by or evidenced by securities held by the District or its agent in the District’s name. Category 2 includes deposits collateralized with securities held by the pledging institution’s trust department or agent in the District’s name, or uninsured and unregistered investments for which the securities are held by the counter party’s trust department or agent in the District’s name. Category 3 includes uncollateralized deposits, and uninsured and unregistered investments, with securities held by the counterparty or its trust department or agent but not in the District’s name.

	Category			Total	Carrying Amount
	1	2	3		
Local and area banks	\$ 500,000	\$ -	\$ 1,322,487	\$ 1,822,487	\$ 981,945
Wisconsin Local Government Investment Pool					3,433,330
Total Deposits and Investments					\$ 4,415,275
Per statement of net position:					
Cash and investments					\$ 4,415,275

The District had no significant type of investments during the year not included in the above schedule. Fluctuating cash flows during the year due to tax collections, receipt of state aids, and borrowings may have resulted in temporary balances exceeding insured amounts by substantially higher amounts than reported at the balance sheet date.

Credit risk - Generally, credit risk is the risk than an issuer of an investment will not fulfill its obligation to the holder of the investment. The District’s policies are designed to maximize investment earnings while protecting the security of principals and providing adequate liquidity, in accordance to state statute as listed previously. At June 30, 2024, the District had no investments in government securities.

Concentration of credit risk- The District does not have a policy for concentration of credit risk.

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024**

**NOTE C - CASH AND INVESTMENTS - Continued**

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF 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. The SIF is not rated. Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. At June 30, 2024, the fair value of the District’s share of the LGIP’s assets was substantially equal to the amount reported above.

Investments in the LGIP 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 except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by an FDIC and State of Wisconsin Guarantee Fund Insurance.

Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

Local government investment pool fund is valued at amortized cost of the underlying assets for purposes of calculating income to participants.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the District’s investments at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Local government investment pool	\$ -	\$3,433,330	\$ -	\$3,433,330

The District has a \$250,000 issued letter of credit as of June 30, 2024. The letter of credit is supported by general checking funds.

**SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024**

**NOTE D - INTERFUND RECEIVABLE AND PAYABLE**

Interfund receivable and payable balances in the fund financial statements for the year ended June 30, 2024 were as follows:

General fund owes long-term capital improvement trust fund for future projects \$ 275,000

Interfund transfers at June 30, 2024 were as follows:

<u>Transfer from:</u>		Long-term Capital
General fund	To set aside funds for future capital projects	Improvement
		Trust Fund
		<u>\$ 275,000</u>

**NOTE E - LEASE RECEIVABLE**

In May 2017, the District renewed a 10-year broadband lease agreement to transfer bandwidth use to the lessee with the option of an automatic renewal for up to one additional 10 year term. The lessee is required to make various monthly principal and interest payments ranging from \$10,115 to \$15,920. This lease has an interest rate of 2.40%. The lease expires at June 2037 if all automatic renewals are taken. Total lease revenue as of June 30, 2024 was \$162,918.

The following schedule by years of future minimum lease payments under the lease at June 30, 2024:

	Principal	Interest	Total
2025	\$ 85,881	\$ 40,115	\$ 125,996
2026	92,424	37,983	130,407
2027	99,281	35,690	134,971
2028	106,466	33,228	139,694
2029	113,994	30,591	144,585
2030 - 2034	695,847	106,621	802,468
2035 - 2037	516,606	19,092	535,698
	<u>\$ 1,710,499</u>	<u>\$ 303,320</u>	<u>\$ 2,013,819</u>

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE F – CAPITAL ASSETS**

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

<b>Governmental activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, nondepreciable:				
Land	\$ 174,154	\$ -	\$ -	\$ 174,154
Construction in process	7,392,658	-	7,392,658	-
Total capital assets, nondepreciable	7,566,812	-	7,392,658	174,154
Capital assets, depreciable/amortizable:				
Site improvements	514,745	-	-	514,745
Buildings and improvements	8,027,994	15,658,097	212,263	23,473,828
Furniture and equipment	2,721,058	426,978	132,716	3,015,320
Vehicles	75,112	40,523	-	115,635
Leased assets (right-to-use) - furniture & equipment	65,716	25,296	-	91,012
Total capital assets, depreciable/amortizable	11,404,625	16,150,894	344,979	27,210,540
Less accumulated depreciation/amortization for:				
Site improvements	373,258	9,977	-	383,235
Buildings and improvements	3,991,406	264,187	99,858	4,155,735
Furniture and equipment	2,370,086	127,699	116,549	2,381,236
Vehicles	75,112	3,377	-	78,489
Leased assets (right-to-use) - furniture & equipment	12,048	17,975	-	30,023
Total accumulated depreciation/amortization	6,821,910	423,215	216,407	7,028,718
Total capital assets, depreciable/amortizable, net	4,582,715	15,727,679	128,572	20,181,822
<b>Total Governmental Activities</b>	<b>\$ 12,149,527</b>	<b>\$ 15,727,679</b>	<b>\$ 7,521,230</b>	<b>\$ 20,355,976</b>

The District’s capital assets are shared by many governmental functions. Depreciation and amortization expense was allocated to District functions as follows:

<b>Governmental activities:</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
Regular instruction	\$ 59,988	\$ -	\$ 59,988
Other Instructions	2,026	-	2,026
Building and grounds	113,038	-	113,038
Community services	1,661	-	1,661
Instructional staff	9,346	-	9,346
Administration	23,646	17,975	41,621
Pupil Services	265	-	265
Food service	11,121	-	11,121
Unallocated	184,149	-	184,149
	<b>\$ 405,240</b>	<b>\$ 17,975</b>	<b>\$ 423,215</b>

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE G - LONG-TERM OBLIGATIONS**

Long-term liabilities and activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Direct placement</b>					
Bonds and notes payable	\$ 15,195,000	\$ -	\$ 280,000	\$ 14,915,000	\$ 450,000
Premium	405,794	-	20,290	385,504	-
Total general obligation debt	15,600,794	-	300,290	15,300,504	450,000
<b>Other liabilities:</b>					
Lease liability - Right-to-use	54,420	25,296	17,291	62,425	19,342
<b>Total long-term liabilities</b>	<b>\$ 15,655,214</b>	<b>\$ 25,296</b>	<b>\$ 317,581</b>	<b>\$ 15,362,929</b>	<b>\$ 469,342</b>

All general obligation bonds, notes and loans payable are backed by the full faith and credit of the District. Bonds, notes and loans in the governmental funds will be retired by future property tax levies.

Total interest paid during the year on long-term obligations totaled \$620,658.

General obligation debt is comprised of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance
Promissory note	05/16/23	10/01/43	4.15 - 5.0%	\$ 5,650,000	\$ 5,370,000
Promissory note	06/29/22	10/01/42	4.0%	9,545,000	9,545,000
					<u>\$ 14,915,000</u>

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$345,558,958 The legal debt limit and margin of indebtedness as of June 30, 2024 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$345,558,958)	\$ 34,558,896
Deduct long-term debt applicable to debt margin (less available for debt service)	<u>14,578,431</u>
Margin of indebtedness	<u>\$ 19,980,465</u>

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE G - LONG-TERM OBLIGATIONS - Continued

Debt service requirements to maturity on general obligation debt are as follows:

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 450,000	\$ 640,780	\$ 1,090,780
2026	530,000	618,280	1,148,280
2027	580,000	591,780	1,171,780
2028	625,000	562,780	1,187,780
2029	650,000	515,280	1,165,280
Thereafter	12,080,000	4,005,770	16,085,770
	<u>\$ 14,915,000</u>	<u>\$ 6,934,670</u>	<u>\$ 21,849,670</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

**Lease Liability - Right-to-use**

The District has multiple right-to-use lease agreements of equipment for use by the District. The District is required to make various monthly principal and interest payments ranging from \$1,184-\$1,805. These leases have an interest rate of 3.11 - 4.33%. The lease expire in July 2027. Lease expense is \$20,515 for the year ended June 30, 2024.

The future minimum lease payments for these agreements as of June 30, 2024 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 19,342	\$ 2,322	\$ 21,664
2026	20,196	1,468	21,664
2027	21,088	576	21,664
2028	1,799	6	1,805
	<u>\$ 62,425</u>	<u>\$ 4,372</u>	<u>\$ 66,797</u>

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

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

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

NOTE H - PENSION PLAN - Continued

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

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

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE H - PENSION PLAN - Continued

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

**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 \$302,885 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)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%



**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE H – PENSION PLAN – Continued**

**Pension liabilities, pension expense (revenue), and deferred outflows of resources and deferred inflows of resources related to pensions.** At June 30, 2024, the District reported a liability (asset) of \$345,148 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) 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 (asset) was based on the District’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District’s proportion was 0.0232141%, which was a decrease of 0.00009807% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$238,174.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 1,391,635	\$ (1,843,230)
Net differences between projected and actual earnings on pension plan investments	1,202,789	-
Changes in assumptions	150,440	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,287	(2,958)
Employer contributions subsequent to the measurement date	190,655	-
	<u>\$ 2,938,806</u>	<u>\$ (1,846,188)</u>

\$190,655 reported as deferred outflows of resources related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

<b>Year Ended June 30</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
2024	\$ 2,199,013	\$ (2,014,219)
2025	1,790,762	(1,596,315)
2026	1,425,723	(671,044)
2027	55,675	(287,632)
Thereafter	-	-

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE H - PENSION PLAN - Continued

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

Actuarial valuation date	December 31, 2022
Measurement date of net pension liability (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 December 31, 2022 actuarial valuation.

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

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE H - PENSION PLAN - Continued

Asset Allocation Targets and Expected Returns  
 As of December 31, 2023<sup>1</sup>

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Public equities	40.0%	7.3%	4.5%
Public fixed income	27.0%	5.8%	3.0%
Inflation sensitive	19.0%	4.4%	1.7%
Real estate	8.0%	5.8%	3.0%
Private equity/debt	18.0%	9.6%	6.7%
Leverage	-12.0%	3.7%	1.0%
Total Core Fund <sup>3</sup>	100.0%	7.4%	4.6%
Variable Fund Asset Class			
U.S. equities	70.0%	6.8%	4.0%
International equities	30.0%	7.6%	4.8%
Total Variable Fund	100.0%	7.3%	4.5%

<sup>1</sup> Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

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

<sup>3</sup> The 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%.

**Single discount rate.** A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% 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 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE H – PENSION PLAN – Continued

**Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
District's proportionate share of the net pension liability (asset)	\$ 3,336,028	\$ 345,148	\$ (1,747,696)

**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 pension plan.** The District reported a payable of \$63,671 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2024.

NOTE I – OTHER POST-EMPLOYMENT BENEFITS

**Plan description.** In addition to providing pension benefits, the District provides certain defined benefit other post-employment benefits for medical and dental care premium payments to qualifying retired employees and their eligible dependents or survivors pursuant to collective bargaining agreements and Board resolutions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

**Benefits provided.** *Professional staff, administrators, and support staff* – Retired prior to July 1, 2021–Retirees may be eligible for benefits that are no longer provided to active employees including health and dental premiums at a rate of 1 month per 12 unused PTO days. If both spouses are employed by the District as Professional Staff members and/or Administrators, each spouse has access to their own benefit on an individual basis. Neither spouse is restricted by the other spouse’s election. The District has a high deductible health plan (\$2,500 single/ \$5,000 family) and provides active employees HRA deductible reimbursements of \$500 single/ \$1,000 family (on the bank end of the deductible). Unused HRA funds are forfeited. Retirees electing COBRA are not eligible for these contributions. Upon retirement, retirees may choose to self-pay the full (100%) amount of premiums to remain on the District’s health plan on for the duration of COBRA.

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE I - OTHER POST-EMPLOYMENT BENEFITS - Continued

*Employees covered by benefit terms.* Plan membership consisted of the following as of June 30, 2023, the date of the latest actuarial valuation:

Retirees	2
Actives	<u>55</u>
Total	<u><u>56</u></u>

*Total OPEB Liability, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB.* At June 30, 2024, the District reported a total OPEB liability of \$35,607. The total OPEB liability was measured as of June 30, 2023, determined by an actuarial valuation as of June 30, 2023. For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of (9,635). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (214,597)
Changes in assumptions or other input	61,960	(42,511)
District contributions subsequent to the measurement date	-	-
	<u>\$ 61,960</u>	<u>\$ (257,108)</u>

Deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (24,526)
2025	(24,526)
2026	(24,526)
2027	(24,526)
2028	(24,526)
Thereafter	(72,518)

The contributions for retirees and beneficiaries have been funded on a pay-as-you-go basis, which are allocated among functions based on the proportionate amount of payroll cost. For the year ended June 30, 2024, medical and dental care premium expenditures on the pay-as-you-go basis amounted to \$0. As of June 30, 2024, the Board of Education has decided not to establish a trust fund for funding the OPEB liability.

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE I - OTHER POST-EMPLOYMENT BENEFITS - Continued

*Changes in the Total OPEB Liability*

Balance at beginning of year	\$ 45,242
Changes for the year:	
Service cost	2,658
Interest	1,863
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,373
Benefit payments	<u>(15,529)</u>
Net changes	<u>(9,635)</u>
Balance at end of year	<u>\$ 35,607</u>

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

**Actuarial assumptions.** The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	June 30, 2023
Measurement date of OPEB liability	June 30, 2023
Reporting date	June 30, 2024
Actuarial cost method	Entry age normal - level % of salary
Health care trend	7.00% decreasing to 6.5%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount rate*	4.13% based up all years of projected payments discounted at a municipal bond rate of 4.13%
Municipal Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the full generational MP-2021 projection scale from a base year of 20210

\*Implicit in this rate is an assumed rate of inflation of 2.5%

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

NOTE I - OTHER POST-EMPLOYMENT BENEFITS - Continued

**Sensitivity of the District's total OPEB liability to changes in the discount rate.** The following presents the District's total OPEB liability calculated using the discount rate of 4.13%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate as of June 30, 2023, the date of the latest actuarial valuation:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
District's total OPEB liability	\$ 38,337	\$ 35,607	\$ 32,996

**Sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rate.** The following presents the District's total OPEB liability calculated using the discount rate of 7.00% for medical and 5.00% for dental, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% and 4.00%) or 1-percentage-point higher (8.00% and 6.00%) than the current rate as of June 30, 2023, the date of the latest actuarial valuation:

	<b>1% Decrease (6.0% decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)</b>	<b>1% Increase (8.0% decreasing to 5.5%)</b>
District's total OPEB liability	\$ 31,359	\$ 35,607	\$ 40,616

NOTE J- 403(b) EMPLOYEE SAVINGS PLAN

Effective November 12, 2008, the District began a 403(b) Employee Savings Plan. Every District employee is eligible to participate in the plan, with the exception of (a) non-resident aliens, (b) those who do not have sufficient income to be eligible to contribute at least \$200 per year or (c) students/student-teachers. The District does not make any matching contributions.

NOTE K - RISK MANAGEMENT AND UNCERTAINTIES

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage.

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**NOTE L - CONTINGENCIES**

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determine at this time although the District expects such amounts, if any, to be immaterial.

From time to time, the District is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

**NOTE M - LIMITATIONS ON SCHOOL DISTRICT REVENUES**

Wisconsin statutes limit the amount of revenues that 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 a referendum prior to August 12, 1993,

A referendum on or after August 12, 1993.

**NOTE N - SUBSEQUENT EVENTS**

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 11, 2024, the date on which the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY INFORMATION**

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND  
ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2024

	General Operations				Special Education				Total	
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final				
<b>REVENUES:</b>										
Property taxes	\$ 2,455,348	\$ 2,455,348	\$ 2,455,348	\$ -	\$ -	\$ -	\$ -	\$ 2,455,348	\$ -	\$ -
Other local sources	99,600	99,600	295,867	196,267	-	-	-	295,867	196,267	196,267
Interdistrict sources	1,160,815	1,160,815	1,298,452	137,637	-	-	-	1,298,452	137,637	137,637
Intermediate sources	2,095	2,095	5,197	3,102	10,000	10,000	7,331	12,528	433	433
State sources	4,477,220	4,477,220	4,496,432	19,212	255,000	255,000	235,900	4,732,332	112	112
Federal sources	580,126	580,126	602,154	22,028	164,486	164,486	169,929	772,083	27,471	27,471
Other sources	146,400	146,400	71,981	(74,419)	-	-	-	71,981	(74,419)	(74,419)
<b>Total Revenues</b>	<b>8,921,604</b>	<b>8,921,604</b>	<b>9,225,431</b>	<b>303,827</b>	<b>429,486</b>	<b>429,486</b>	<b>413,160</b>	<b>9,638,591</b>	<b>287,501</b>	<b>287,501</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular	3,984,277	3,984,277	3,891,184	93,093	-	-	-	3,891,184	93,093	93,093
Vocational	315,436	315,436	287,530	27,906	-	-	-	287,530	27,906	27,906
Special	-	-	-	-	841,379	841,379	839,180	2,199	839,180	2,199
Other	578,961	578,961	588,500	(9,539)	-	-	-	588,500	(9,539)	(9,539)
Total Instruction	4,878,674	4,878,674	4,767,214	111,460	841,379	841,379	839,180	2,199	5,606,394	113,659
Support Services:										
Pupil services	294,052	294,052	275,514	18,538	113,470	113,470	140,807	(27,337)	416,321	(8,799)
Instructional staff services	340,581	340,581	309,170	31,411	13,514	13,514	19,624	(6,110)	328,794	25,301
Administration	1,080,010	1,080,010	1,079,815	195	-	-	-	-	1,079,815	195
Building and grounds	881,202	881,202	1,006,427	(125,225)	-	-	-	-	1,006,427	(125,225)
Pupil transportation	307,750	307,750	305,356	2,394	27,817	27,817	15,919	11,898	321,275	14,292
Central services	15,500	15,500	14,730	770	-	-	100	(100)	14,830	670
Administrative technology	415,268	415,268	436,021	(20,753)	-	-	-	-	436,021	(20,753)
Insurance	71,000	71,000	60,193	10,807	-	-	-	-	60,193	10,807
Principal and interest	-	-	19,607	(19,607)	-	-	-	-	19,607	(19,607)
Other support services	70,873	70,873	49,468	21,405	-	-	-	-	49,468	21,405
Total Support Services	3,476,236	3,476,236	3,556,301	(80,065)	154,801	154,801	176,450	(21,649)	3,732,751	(101,714)
<b>Total Expenditures</b>	<b>8,354,910</b>	<b>8,354,910</b>	<b>8,323,515</b>	<b>31,395</b>	<b>996,180</b>	<b>996,180</b>	<b>1,015,630</b>	<b>(19,450)</b>	<b>9,339,145</b>	<b>11,945</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>566,694</b>	<b>566,694</b>	<b>901,916</b>	<b>335,222</b>	<b>(566,694)</b>	<b>(566,694)</b>	<b>(602,470)</b>	<b>(35,776)</b>	<b>299,446</b>	<b>299,446</b>
<b>Other Financing Sources (Uses):</b>										
Transfer to special education	(566,694)	(566,694)	(602,470)	(35,776)	-	-	-	-	(602,470)	(35,776)
Transfer from general operations	-	-	-	-	566,694	566,694	602,470	35,776	602,470	35,776
Transfer to long-term capital improvement fund	-	-	(275,000)	(275,000)	-	-	-	-	(275,000)	(275,000)
Proceeds from lease	-	-	25,296	25,296	-	-	-	-	25,296	25,296
<b>Total Other Financing Sources (Uses)</b>	<b>(566,694)</b>	<b>(566,694)</b>	<b>(852,174)</b>	<b>(285,480)</b>	<b>566,694</b>	<b>566,694</b>	<b>602,470</b>	<b>35,776</b>	<b>(249,704)</b>	<b>(249,704)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>49,742</b>	<b>49,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,742</b>	<b>49,742</b>
<b>Fund Balances:</b>										
Beginning of year	2,439,782	2,439,782	2,439,782	-	-	-	-	-	2,439,782	-
End of year	\$ 2,439,782	\$ 2,439,782	\$ 2,489,524	\$ 49,742	\$ -	\$ -	\$ -	\$ -	\$ 2,489,524	\$ 49,742

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET  
AND ACTUAL - DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 1,030,148	\$ 1,030,148	\$ 1,030,148	\$ -
Other local sources	10,000	10,000	16,049	6,049
<b>Total Revenues</b>	<u>1,040,148</u>	<u>1,040,148</u>	<u>1,046,197</u>	<u>6,049</u>
<b>EXPENDITURES:</b>				
Support Services:				
Principal and interest	<u>709,758</u>	<u>709,758</u>	<u>900,658</u>	<u>(190,900)</u>
<b>Total Expenditures</b>	<u>709,758</u>	<u>709,758</u>	<u>900,658</u>	<u>(190,900)</u>
<b>Net Change in Fund Balance</b>	330,390	330,390	145,539	(184,851)
<b>Fund Balances:</b>				
Beginning of year, as previously reported	-	-	-	-
Restatement for correction of an error	<u>191,030</u>	<u>191,030</u>	<u>191,030</u>	<u>-</u>
End of year	<u>\$ 521,420</u>	<u>\$ 521,420</u>	<u>\$ 336,569</u>	<u>\$ (184,851)</u>

SCHOOL DISTRICT OF OAKFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - LONG TERM  
CAPITAL IMPROVEMENT TRUST  
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Other local sources	\$ 25,000	\$ 25,000	\$ 59,698	\$ 34,698
<b>Total Revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>59,698</u>	<u>34,698</u>
<b>Other Financing Sources (Uses)</b>				
Transfer from general fund	-	-	275,000	275,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>
<b>Net Change in Fund Balance</b>	25,000	25,000	334,698	309,698
<b>Fund Balances:</b>				
Beginning of year, as previously reported	-	-	-	-
Adjustment - changes from nonmajor fund to major fund	1,107,414	1,107,414	1,107,414	-
End of year	<u>\$ 1,132,414</u>	<u>\$ 1,132,414</u>	<u>\$ 1,442,112</u>	<u>\$ 309,698</u>

SCHOOL DISTRICT OF OAKFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET  
AND ACTUAL - OTHER CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Other local sources	\$ 10,000	\$ 10,000	\$ 174,650	\$ 164,650
<b>Total Revenues</b>	10,000	10,000	174,650	164,650
<b>EXPENDITURES</b>				
Support Services:				
Building and grounds	1,500,000	1,500,000	8,248,263	(6,748,263)
<b>Total Expenditures</b>	1,510,000	1,510,000	8,248,263	(6,748,263)
<b>Net Change in Fund Balance</b>	(1,490,000)	(1,490,000)	(8,073,613)	(6,583,613)
<b>Fund Balances:</b>				
Beginning of year, as previously reported	8,567,884	8,567,884	8,567,884	-
Restatement for correction of an error	276,591	276,591	276,591	-
End of year	<u>\$ 7,354,475</u>	<u>\$ 7,354,475</u>	<u>\$ 770,862</u>	<u>\$ (6,583,613)</u>

SCHOOL DISTRICT OF OAKFIELD  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - COMMUNITY SERVICE FUND  
 YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Other local sources	\$ 533,237	\$ 533,237	\$ 478,906	\$ (54,331)
<b>Total Revenues</b>	<u>533,237</u>	<u>533,237</u>	<u>478,906</u>	<u>(54,331)</u>
<b>EXPENDITURES:</b>				
Support Services:				
Building and grounds	500	500	852	(352)
Pupil transportation	750	750	1,050	(300)
Administrative technology	500	500	-	500
Community service	531,487	531,487	526,600	4,887
<b>Total Expenditures</b>	<u>533,237</u>	<u>533,237</u>	<u>528,502</u>	<u>4,735</u>
<b>Net Change in Fund Balance</b>	-	-	(49,596)	(49,596)
<b>Fund Balances:</b>				
Beginning of year	76,948	76,948	76,948	-
End of year	<u>\$ 76,948</u>	<u>\$ 76,948</u>	<u>\$ 27,352</u>	<u>\$ (49,596)</u>

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS\*  
YEAR ENDED JUNE 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 2,658	\$ 3,179	\$ 49,598	\$ 40,225	\$ 42,154
Interest	1,863	1,258	12,761	16,243	17,682
Changes of benefit terms	-	-	(418,601)	-	-
Differences between expected and actual experience	-	-	(117,822)	-	(89,339)
Changes of assumptions or other inputs	1,373	(3,321)	(3,818)	44,269	25,597
Benefit payments	(15,529)	(20,348)	-	(4,683)	(478)
Net change in total OPEB liability	<u>(9,635)</u>	<u>(19,232)</u>	<u>(477,882)</u>	<u>96,054</u>	<u>(4,384)</u>
<b>Total OPEB Liability:</b>					
Beginning of year	<u>45,242</u>	<u>64,474</u>	<u>542,356</u>	<u>446,302</u>	<u>450,686</u>
End of year	<u>\$ 35,607</u>	<u>\$ 45,242</u>	<u>\$ 64,474</u>	<u>\$ 542,356</u>	<u>\$ 446,302</u>
<b>Covered-employee payroll</b>	\$ 4,201,374	\$ 3,929,149	\$ 3,929,149	\$ 3,603,515	\$ 3,603,515
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	0.85%	1.15%	1.64%	15.05%	12.39%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
<b>Total OPEB Liability</b>					
Service cost	\$ 43,717	\$ 50,945	\$ 44,018	\$ 44,018	
Interest	14,784	16,152	17,415	16,722	
Changes of benefit terms	-	-	-	-	
Differences between expected and actual experience	-	(111,745)	-	-	
Changes of assumptions or other inputs	(8,352)	(60,014)	25,724	-	
Benefit payments	-	(15,441)	(17,801)	(66,756)	
Net change in total OPEB liability	<u>50,149</u>	<u>(120,103)</u>	<u>69,356</u>	<u>(6,016)</u>	
<b>Total OPEB Liability:</b>					
Beginning of year	<u>400,537</u>	<u>520,640</u>	<u>451,284</u>	<u>457,300</u>	
End of year	<u>\$ 450,686</u>	<u>\$ 400,537</u>	<u>\$ 520,640</u>	<u>\$ 451,284</u>	
<b>Covered-employee payroll</b>	\$ 3,219,836	\$ 3,219,836	\$ 2,088,590	\$ 2,088,590	
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	14.00%	12.44%	24.93%	21.61%	

\* This schedule is presented to illustrate the requirements to show information for 10 years. Information prior to June 30, 2015 is not available.

**SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM - LAST 10 FISCAL YEARS  
JUNE 30, 2024\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.02321410%	0.02331217%	0.02339391%	0.02350201%	0.02358157%
District's proportionate share of the net pension liability (asset)	\$ 345,148	\$ 1,235,009	\$ (1,885,592)	\$ (1,467,263)	\$ (760,377)
District's covered-employee payroll	\$ 4,419,003	\$ 4,230,375	\$ 4,043,652	\$ 3,866,345	\$ 3,778,637
District's collective net pension liability (asset) as a percentage of the employer's covered-employee payroll	7.81%	29.19%	(46.63%)	(37.95%)	(20.12%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.85%	95.72%	106.02%	105.26%	102.96%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.02317857%	0.02262781%	0.02188990%	0.02191351%	0.02196444%
District's proportionate share of the net pension liability (asset)	\$ 824,620	\$ (671,846)	\$ 180,425	\$ 356,090	\$ (539,507)
District's covered-employee payroll	\$ 3,655,735	\$ 3,468,661	\$ 3,229,195	\$ 3,146,634	\$ 2,966,940
District's collective net pension liability (asset) as a percentage of the employer's covered-employee payroll	22.56%	(19.37%)	5.59%	11.32%	(18.18%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.45%	102.93%	99.12%	98.20%	102.74%

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



**SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM - LAST 10 FISCAL YEARS  
JUNE 30, 2024 \***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 302,885	\$ 274,974	\$ 272,965	\$ 260,979	\$ 247,501
Contributions in relation to the contractually required contributions	(302,885)	(274,974)	(272,965)	(260,979)	(247,501)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,419,003	\$ 4,230,375	\$ 4,043,652	\$ 3,866,345	\$ 3,778,637
Contributions as a percentage of covered-employee payroll	6.85%	6.50%	6.75%	6.75%	6.55%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 244,935	\$ 235,893	\$ 213,128	\$ 213,971	\$ 207,687
Contributions in relation to the contractually required contributions	(244,935)	(235,893)	(213,128)	(213,971)	(207,687)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,655,735	\$ 3,468,661	\$ 3,229,195	\$ 3,146,634	\$ 2,966,940
Contributions as a percentage of covered-employee payroll	6.70%	6.80%	6.60%	6.80%	7.00%

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

SCHOOL DISTRICT OF OAKFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2024

NOTE A- SUMMARY OF PENSION CHANGES

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

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

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

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

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

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2024**

**NOTE A- SUMMARY OF PENSION CHANGES – Continued**

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

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

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

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2024**

**NOTE A- SUMMARY OF PENSION CHANGES – Continued**

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

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Valuation Date:	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
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
<b>Actuarial Assumptions</b>					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Salary Increases</b>					
Wage Inflation:	3.2%	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%
Post-retirement Benefit Adjustments*:	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 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

SCHOOL DISTRICT OF OAKFIELD  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 YEAR ENDED JUNE 30, 2024

NOTE B - SUMMARY OF OPEB CHANGES

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions.* Changes of assumptions or other inputs also resulted in a decrease in the Total OPEB Liability. The change of assumptions included an increase in the discount rate, and an increase in health care trend.

*Valuation date.* Actuarially determined contribution rates are calculated as of June 30, 2023.

*Methods and assumptions used to calculate actuarially determined contribution.*

	<u>2024</u>	<u>2023</u>
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value
Salary increases:		
Seniority/merit	0.1 - 5.6%	0.1 - 5.6%
Discount rate	4.13% based up all years of projected payments	4.00%
Inflation	using Wisconsin Retirement System	2.50%

NOTE C - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Special Education Fund	<u>\$ 19,450</u>
Debt Service Fund	<u>\$ 190,900</u>
Other Capital Projects Fund	<u>\$ 6,748,263</u>

**OTHER SUPPLEMENTARY INFORMATION**

SCHOOL DISTRICT OF OAKFIELD  
 COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total Non-major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 167,260	\$ 103,173	\$ 270,433
Accounts receivable	113	7,654	7,767
Due from other governments	-	13,797	13,797
<b>Total Assets</b>	<b><u>\$ 167,373</u></b>	<b><u>\$ 124,624</u></b>	<b><u>\$ 291,997</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 60	\$ 6,944	\$ 7,004
Total Liabilities	60	6,944	7,004
<b><u>DEFERRED INFLOWS</u></b>			
Unavailable revenue	-	10,933	10,933
<b><u>FUND BALANCES</u></b>			
Restricted for:			
Trust fund contributions	167,313	-	167,313
Food service operations	-	106,747	106,747
Total Fund Balances	<u>167,313</u>	<u>106,747</u>	<u>274,060</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 167,373</u></b>	<b><u>\$ 124,624</u></b>	<b><u>\$ 291,997</u></b>

SCHOOL DISTRICT OF OAKFIELD  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Long-term Capital Improvement Trust Fund	Special Revenue Fund	Food Service Fund	Total Non-major Governmental Funds
<b>REVENUES:</b>				
Other local sources	\$ -	\$ 320,676	\$ 109,983	\$ 430,659
State sources	-	-	2,277	2,277
Federal sources	-	-	123,591	123,591
<b>Total Revenues</b>	<u>-</u>	<u>320,676</u>	<u>235,851</u>	<u>556,527</u>
<b>EXPENDITURES:</b>				
Instruction:				
Other	-	342,248	-	342,248
Total Instruction	<u>-</u>	<u>342,248</u>	<u>-</u>	<u>342,248</u>
Support Services:				
Food service	-	-	239,083	239,083
Other support services	-	2,789	-	2,789
Total Support Services	<u>-</u>	<u>2,789</u>	<u>239,083</u>	<u>241,872</u>
<b>Total Expenditures</b>	<u>-</u>	<u>345,037</u>	<u>239,083</u>	<u>584,120</u>
<b>Net Change in Fund Balances</b>	-	(24,361)	(3,232)	(27,593)
<b>Fund Balances:</b>				
Beginning of year, as previously reported	1,107,414	191,674	109,979	1,409,067
Adjustment - changes from nonmajor fund to major fund	(1,107,414)	-	-	(1,107,414)
End of year	<u>\$ -</u>	<u>\$ 167,313</u>	<u>\$ 106,747</u>	<u>\$ 274,060</u>



**SINGLE AUDIT SECTION**



**INDEPENDENT AUDITOR'S 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 Board of Education  
School District of Oakfield  
Oakfield, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oakfield School District ("District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Oakfield School District's basic financial statements and have issued our report thereon dated December 11, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Oakfield School 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 Oakfield School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oakfield School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be a significant deficiency.

## ***Report on Compliance and Other Matters***

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

## **Oakfield School District's Response to Findings**

We noted certain matters that we reported to management of the District in a separate letter dated December 11, 2024

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

## **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 testing, and not to provide an opinion on the effectiveness of the Oakfield School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fond du Lac, Wisconsin  
December 11, 2024



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

To the Board of Education  
School District of Oakfield  
Oakfield, 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 Oakfield's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District of Oakfield's major federal and state programs for the year ended June 30, 2024. The School District of Oakfield'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 School District of Oakfield's 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District of Oakfield 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 School District of Oakfield'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 School District of Oakfield's federal and state programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District of Oakfield'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 School District of Oakfield's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District of Oakfield'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**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance

requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2024-001 to be significant deficiencies.

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

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

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

A handwritten signature in cursive script that reads "Vesta".

Fond du Lac, Wisconsin  
December 11, 2024

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2024

Federal or State Grantor/Pass-Through Grantor/Program or Cluster Title	ALN/ State Id Number	Pass- Through Entity Identifying Number	(Accrued Receivable) Deferred Revenue 7/1/2023	Grantor Reimbursements	Accrued Receivable (Deferred Revenue) 6/30/2024	Disbursements/ Expenditures	Passed Through to Subrecipients
<b>Federal Programs:</b>							
U.S. Department of Agriculture							
Passed through Wisconsin Department of Public Instruction							
Child Nutrition Cluster							
School Breakfast Program	10.553	2024-204025-DPI-SB-546	\$ -	\$ 10,744	\$ 2,051	\$ 12,795	\$ -
National School Lunch Program	10.555	2024-20425-DPI-NSL-547	-	80,031	11,746	91,777	-
Food Donation Program	10.555	2024-20425-DPI-NSL-547	-	19,019	-	19,019	-
Total Child Nutrition Cluster			-	109,794	13,797	123,591	-
U.S. Department of Health and Human Services							
Passed through Wisconsin Forward Health							
Medicaid Cluster							
Medical Assistance Program-School Based Services	93.778	WI DHS	-	54,225	-	54,225	-
U.S. Department of Education							
Rural Education Achievement Program	84.358A	*	(15,116)	39,834	37,522	62,240	-
Passed through Wisconsin Department of Public Instruction							
Elementary and Secondary School Emergency Relief II	84.425D	2024-204025-DPI-ESSERFII-163	(35,643)	165,373	-	129,730	-
Elementary and Secondary School Emergency Relief III	84.425	2024-204025-DPI-LETRS-165	(3,894)	3,894	172,314	172,314	-
Evidence-Based After School Program (ARPA)	84.425U	2024-204025-DPI-ESF-Af-sch-165	(2,498)	156,382	7,307	161,191	-
Title I, Part A Grants to Local Education Agencies	84.010A	2024-204025-DPI-TI-A-141	-	10,569	9,418	19,987	-
Title II, Part A Grants to Local Education Agencies	84.367A	2024-204025-DPI-TIIA-365	-	8,570	-	8,570	-
Title IV, Part A Grants to Local Education Agencies	84.424A	2024-204025-DPI-TIVA-381	-	-	15,674	15,674	-
Special Education Cluster							
Special Education Grants to States	84.027	2024-204025-DPI-FLOW-341	(125,600)	125,600	132,473	132,473	-
Special Education Preschool Grants	84.173	2024-204025-DPI-PRESCH-347	(3,577)	3,577	5,277	5,277	-
Total Special Education Cluster			(129,177)	129,177	137,750	137,750	-
Passed through CESA #6							
Career and Technical Education - Basic Grants to States	84.048	2024-204025-DPI-CTE-400	-	2,599	2,598	5,197	-
Nursing Grant	*	*	-	9,174	-	9,174	-
Bureau of Justice Assistance							
Passed through CESA #6							
BJA Grant	*	*	-	1,225	-	1,225	-
<b>Total Federal Awards</b>			<b>\$ (186,328)</b>	<b>\$ 690,816</b>	<b>\$ 396,380</b>	<b>\$ 900,868</b>	<b>\$ -</b>
<b>State Programs:</b>							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	255.101	204025-100	\$ -	\$ 229,609	\$ -	229,609	\$ -
State School Lunch Aid	255.102	204025-107	-	1,772	-	1,772	-
Common School Fund Library Aid	255.103	204025-104	-	40,779	-	40,779	-
General Transportation Aid	255.107	204025-102	-	10,443	-	10,443	-
General Equalization Aid	255.201	204025-116	-	3,736,558	-	3,736,558	-
Sparsity Aid	255.212	204025-162	-	187,721	-	187,721	-
Early College Credit Program	255.445	204025-178	-	172	-	172	-
School Based Mental Health Services	255.297	204025-177	(91,973)	106,989	-	15,016	-
School Breakfast Program	255.344	204025-108	-	505	-	505	-
Educator Effectiveness Grant	255.940	204025-154	-	4,160	-	4,160	-
Per Pupil Aid	255.945	204025-113	-	337,610	-	337,610	-
Career and Technical Education Incentive Grants	255.950	204025-152	-	8,565	-	8,565	-
Assessment of Reading Readiness	255.956	204025-166	-	648	-	648	-
Aid for Special Education Transition Grants	255.960	204025-168	-	6,291	-	6,291	-
<b>Total State Assistance</b>			<b>\$ (91,973)</b>	<b>\$ 4,671,822</b>	<b>\$ -</b>	<b>\$ 4,579,849</b>	<b>\$ -</b>

\* Information not provided

**SCHOOL DISTRICT OF OAKFIELD  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2024**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards (schedule) includes the federal and state award activity of the District under programs of the federal government and state agencies 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 *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

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

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustment, these amounts may differ from prior years' ending balances.

**NOTE C - INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance

**NOTE D - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District had food commodities totaling \$19,019 in expenditures.

**NOTE E - OVERSIGHT AGENCIES**

The U.S. Department of Education has been designated the federal oversight agency for the District. The Wisconsin Department of Public Instruction is the state oversight agency for the District.



SCHOOL DISTRICT OF OAKFIELD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**Basic Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Type of auditor's report issued on compliance for major programs	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program of Cluster</u>
84.425D	Elementary and Secondary School Emergency Relief II
84.425	Elementary and Secondary School Emergency Relief III
84.425U	Evidence-Based After School Program (ARPA)

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	No

**State Awards**

Type of auditor's report issued on compliance for major state programs	Unmodified
Internal control over major state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

SCHOOL DISTRICT OF OAKFIELD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

State Awards - Continued

Identification of major state programs:

<u>State I.D. Number</u>	<u>Name of State Program or Cluster</u>
255.201	General Equalization Aid
Dollar threshold used to distinguish between Type A and Type B programs	\$250,000
Auditee qualified as a low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

2024-001 - Segregation of Duties

*(Repeat finding from prior year: 2023-001)*

**Criteria:**

The District should segregate accounting duties, at a minimum to separate the asset and the recordkeeping function, to minimize the opportunity for misstatements caused by error or fraud to occur and go undetected within a timely period by employees in the normal course of performing their assigned functions.

**Condition:**

Due to the size of the District's office staff performing accounting functions, the District does not have adequate segregation of duties over accounting transactions. Specifically, one individual is responsible for the entire payroll process and another individual has the ability to cut checks, print the digital signatures on the checks, and performs the bank reconciliations.

**Cause:**

A small number of individuals within the District's administration perform substantially all accounting functions and have control over both records and assets.

**Effect or Potential Effect:**

The lack of segregation of accounting duties could create an opportunity for misstatements caused by error or fraud to occur and go undetected within a timely period by employees in the normal course of performing their assigned functions.

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS - Continued

2024-001 - Segregation of Duties - Continued

**Recommendation:**

Due to the size of the District, it is not practical to hire additional individuals in order to adequately segregate accounting duties; therefore, we recommend that the Administrator's and School Board's close supervision, review of accounting information and knowledge of matters relating to the District's financial operations provide an effective means of preventing and detecting errors and irregularities.

**Views of Responsible Officials and Planned Corrective Actions:**

We will continue to have a designated Administrator/Principal review monthly the bank reconciliations to include the District checkbook accounts, the Oakfield Elementary checkbook account, and the Oakfield Middle/High School checkbook account.

The Principals of each building and the District Administrator will continue to approve timecards for each pay period. The Administrator will review and approve Skyward payroll reports for each pay period.

The Board will continue to review monthly a revenue, expense, and balance sheet report. Year-to-date percentages along with over/under spent dollar amount will be indicated on such reports. Explanations for any variances will be reviewed. The Administrator will continue to approve all purchase orders and review all journal entries prepared by the Bookkeeper.

The District added a new position in the accounting function; Administrative Assistant/Payroll Specialist. This position is responsible for the payroll function. The Business Manager serves as a backup for these duties.

Cross training of back-up individuals will continue for all office/financial personnel.

**2024-002 - Preparation of Financial Statements and Schedule of Expenditures of Federal and State Awards**

(Repeat finding from prior year: 2023-002)

**Criteria:**

District management and School Board share responsibility for the District's internal control system including controls over financial reporting under generally accepted accounting principles (GAAP). Although we assist the District in drafting the financial statements, disclosures, and schedule of federal and state awards, management takes responsibility for the statements, we cannot be considered part of the internal control over GAAP financial statement preparation.

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS - Continued

2024-002 - Preparation of Financial Statements and Schedule of Expenditures of Federal and State Awards - Continued

**Condition:**

The preparation of GAAP financial statements, footnote disclosures, and schedule of federal and state awards requires extensive knowledge of constantly changing accounting pronouncements. While the District's personnel have a thorough understanding of their operations, no one in the District has the accounting background sufficient to prepare the District's GAAP financial statements and schedule of federal and state awards with complete disclosures, to provide a high level of assurance that potential omissions or other errors that are less than material, but more than inconsequential, would be identified and corrected.

**Cause:**

Although District management has a thorough understanding of its operations, management has not monitored recent accounting developments.

**Effect or Potential Effect:**

Financial statements, the schedule of federal and state awards, and related disclosures could be prepared without a high level of assurance that potential omissions or other errors that are less than material, but more than inconsequential, would be identified and corrected.

**Recommendation:**

As part of its internal control over the preparation of its financial statements and the schedule of federal and state awards, including disclosures, the District should implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of generally accepted accounting principles and knowledge of the District's activities and operations.

**Views of Responsible Officials and Planned Corrective Actions:**

The District Administrator and Board of Education acknowledge their responsibility for financial reporting under generally accepted accounting principles (GAAP). While District management has determined it is not cost effective to implement the infrastructure to prepare the financial statements, the Board of Education President and Treasurer, the Administrator, and Bookkeeper will review the financial statements with the auditor and/or utilizing a GAAP disclosure checklist.

SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

2024-003 – Bank Reconciliations

**Criteria:**

The District Business Manager retired at the end of 2023-2024. The new Business Manager had to assume these responsibilities noting the District was not performing monthly bank reconciliations on a timely basis.

**Condition:**

Performing monthly bank reconciliations is best practice for all entities to safeguard cash by detecting errors when recording activity in the bank account. Bank reconciliations are prepared to create stronger internal control and have accountability over cash.

**Cause:**

Retirement of the Director of Business Services who was not performing monthly bank reconciliations on a timely basis.

**Effect or Potential Effect:**

Bank reconciliations ensure that account balances are accurate and that they reflect the true financial position of the District, so the School Board and Management can make informed decisions.

**Recommendation:**

We recommend the Business Manager, who has the suitable skills, knowledge and education, be delegated the responsibility to complete monthly bank reconciliations on a timely basis and provide them to the Administrator and Board Treasurer. The Administrator and Board Treasurer should review and approve the bank reconciliations.

**Views of Responsible Officials and Planned Corrective Actions:**

The Business Manager has the necessary skills, knowledge and education to perform the bank reconciliations and has the responsibility of completing them on a monthly basis. We agree to have Administrator and Board Treasurer review and approve the bank reconciliations.

SCHOOL DISTRICT OF OAKFIELD  
SUMMARY OF AUDITOR'S RESULTS  
YEAR ENDED JUNE 30, 2024

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - OTHER ISSUES

Does the auditor's 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

Does the auditor's report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:  
Department of Public Instruction Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Name and signature of shareholder



Date of report

December 11, 2024

**SCHOOL DISTRICT OF OAKFIELD  
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2024**

**Finding 2023-001 – Segregation of Duties**

The District will continue to have a designated Administrator/Principal review monthly the bank reconciliations to include the District checkbook accounts, the Oakfield Elementary checkbook account, and the Oakfield Middle/High School checkbook account.

The Principals of each building and the District Administrator will continue to approve timecards for each pay period. The Administrator will review and approve Skyward payroll reports for each pay period.

The Board will continue to review monthly a revenue, expense, and balance sheet report. Year-to-date percentages along with over/under spent dollar amount will be indicated on such reports. Explanations for any variances will be reviewed. The Administrator will continue to approve all purchase orders and review all journal entries prepared by the Bookkeeper.

The District added a new position in the accounting function; Administrative Assistant/Payroll Specialist. This position is responsible for the payroll function. The Business Manager serves as a backup for these duties.

Cross training of back-up individuals will continue for all office/financial personnel.

**Finding 2023-002 – Preparation of Financial Statements and Schedule of Expenditures and Federal and State Awards**

The District Administrator and Board of Education acknowledge their responsibility for financial reporting under generally accepted accounting principles (GAAP). While District management has determined it is not cost effective to implement the infrastructure to prepare the financial statements, the Board of Education President and Treasurer, the Administrator, and Business Manager will review the financial statements with the auditor and/or utilizing a GAAP disclosure checklist.



## **CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2024**

### **Finding 2024-001 – Segregation of Duties**

The District will continue to have a designated Administrator/Principal review monthly the bank reconciliations to include the District checkbook accounts, the Oakfield Elementary checkbook account, and the Oakfield Middle/High School checkbook account.

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The District added a new position in the accounting function; Administrative Assistant/Payroll Specialist. This position is responsible for the payroll function. The Business Manager serves as a backup for these duties.

Cross training of back-up individuals will continue for all office/financial personnel.

### **Finding 2024-002 – Preparation of Financial Statements and Schedule of Expenditures of Federal and State Awards**

The District Administrator and Board of Education acknowledge their responsibility for financial reporting under generally accepted accounting principles (GAAP). While District management has determined it is not cost effective to implement the infrastructure to prepare the financial statements, the Board of Education President and Treasurer, the Administrator, and Business Manager will review the financial statements with the auditor and/or utilizing a GAAP disclosure checklist.

### **Finding 2024-003 – Bank Reconciliations**

The Business Manager has the necessary skills, knowledge and education to perform the bank reconciliations and has the responsibility of completing them on a monthly basis. We agree to have Administrator and Board Treasurer review and approve the bank reconciliations.