

**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2024**

**REEDSVILLE PUBLIC SCHOOLS**  
**TABLE OF CONTENTS**  
**JUNE 30, 2024**

Page

3-5 Independent Auditors' Report

**BASIC FINANCIAL STATEMENTS**

District-Wide Financial Statements

6 Statement of Net Position

7 Statement of Activities

Fund Financial Statements

8 Balance Sheet - Governmental Funds

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

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

11 Statement of Net Position - Fiduciary Funds

12 Statement of Changes in Net Position - Fiduciary Funds

13-35 Notes to the Basic Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION**

36 Budgetary Comparison Schedule for the General Fund - Budget and Actual

37 Notes to Required Supplementary Information on Budgetary Accounting and  
Control

38-40 Wisconsin Retirement System Pension Schedules

41 Wisconsin Retirement System Local Retiree Life Insurance Fund Schedules

42 OPEB Healthcare Defined Benefit Plan Schedules

**SUPPLEMENTARY INFORMATION**

43 Combining Balance Sheets - Nonmajor Governmental Funds

44 Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Governmental Funds

**REEDSVILLE PUBLIC SCHOOLS**  
TABLE OF CONTENTS - Continued  
JUNE 30, 2024

Page

**SUPPLEMENTARY INFORMATION - Continued**

45	Schedule of Expenditures of Federal Awards
46	Schedule of State Financial Assistance
47	Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**OTHER REPORTS**

48-49	Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>
50-52	Independent Auditors' Report on Compliance For Each Major Program and Report on Internal Control over Compliance in Accordance With the Uniform Guidance and <i>State Single Audit Guidelines</i>
53-56	Schedule of Findings and Questioned Costs
57	Summary Schedule of Prior Audit Findings and Corrective Action Plan

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Reedsville Public Schools  
Reedsville, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsville Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Reedsville Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsville Public Schools, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Reedsville Public Schools 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***

The Reedsville Public Schools' 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 Reedsville Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reedsville Public Schools' 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 Reedsville Public Schools' 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, Wisconsin Retirement System pension schedules, Wisconsin Retirement System Local Retiree Life Insurance Fund schedules, and OPEB healthcare defined benefit plan schedules, 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 opinions on the basic financial statements are 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 Reedsville Public Schools' basic financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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, schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of the Reedsville Public Schools' 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 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 Reedsville Public Schools' internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin  
October 22, 2024

**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN  
BASIC  
FINANCIAL STATEMENTS**

**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**DISTRICT-WIDE  
FINANCIAL STATEMENTS**



**REEDSVILLE PUBLIC SCHOOLS**

STATEMENT OF NET POSITION

JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and investments	\$ 2,231,216
Receivables	
Taxes	928,426
Due from other governments	247,436
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	51,500
Capital assets being depreciated	17,545,719
<b>TOTAL ASSETS</b>	<u>21,004,297</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Wisconsin Retirement System pension	2,932,437
Wisconsin Retirement System LRLIF	82,172
OPEB healthcare	397,683
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,412,292</u>
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	 <b><u>24,416,589</u></b>
 <b>LIABILITIES</b>	
Accounts payable	7
Accrued liabilities	
Payroll, payroll taxes, insurance	648,426
Interest	1,691
Due to other governments	63
Unearned revenue	3,284
Current portion of long-term obligations	95,130
Noncurrent portion of long-term obligations	1,954,023
<b>TOTAL LIABILITIES</b>	<u>2,702,624</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Wisconsin Retirement System pension	1,831,121
Wisconsin Retirement System LRLIF	140,555
OPEB healthcare	645,338
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,617,014</u>
 <b>NET POSITION</b>	
Net investment in capital assets	17,497,219
Restricted for	
Special revenue	283,945
Debt service	7,420
Capital projects	153,187
Other activities	13,743
Unrestricted	1,141,437
<b>TOTAL NET POSITION</b>	<u>19,096,951</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	 <b><u>\$ 24,416,589</u></b>

The accompanying notes are an integral part of these statements.

# **REEDSVILLE PUBLIC SCHOOLS**

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITES				
Instruction				
Regular instruction	\$ 3,147,950	\$ -	\$ -	\$ (3,147,950)
Vocational instruction	422,368	-	-	(422,368)
Special instruction	868,164	-	499,033	(369,131)
Other instruction	833,172	20,843	-	(812,329)
Total instruction	5,271,654	20,843	499,033	(4,751,778)
Support services				
Pupil services	243,303	-	-	(243,303)
Instructional staff services	374,149	-	58,296	(315,853)
General administration services	264,983	-	-	(264,983)
Building administration services	953,278	-	-	(953,278)
Business services	2,229,000	135,832	340,466	(1,752,702)
Central services	50,566	-	-	(50,566)
Insurance	112,168	-	-	(112,168)
Interest and other	13,349	-	-	(13,349)
Other support services	193,292	-	-	(193,292)
Community services	244,825	25,229	-	(219,596)
Total support services	4,678,913	161,061	398,762	(4,119,090)
Non-program transactions	1,864,282	-	-	(1,864,282)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,814,849	\$ 181,904	\$ 897,795	(10,735,150)
General revenues				
Taxes				
Property taxes				3,397,490
Other taxes				3,855
State and federal aids not restricted to specific functions				6,307,263
Interest and investment earnings				75,247
Miscellaneous				1,046,295
Total general revenues				10,830,150
CHANGE IN NET POSITION				95,000
NET POSITION - BEGINNING OF YEAR				19,001,951
NET POSITION - END OF YEAR				\$ 19,096,951

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**FUND  
FINANCIAL STATEMENTS**

# **REEDSVILLE PUBLIC SCHOOLS**

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and investments	\$ 1,349,551	\$ 394,500	\$ 487,165	\$ 2,231,216
Receivables				
Taxes	928,426	-	-	928,426
Due from other funds	-	-	75,000	75,000
Due from other governments	244,225	-	3,211	247,436
<b>TOTAL ASSETS</b>	<b><u>2,522,202</u></b>	<b><u>394,500</u></b>	<b><u>565,376</u></b>	<b><u>3,482,078</u></b>
<b>LIABILITIES</b>				
Accounts payable	7	-	-	7
Accrued payroll liabilities	633,646	-	14,780	648,426
Due to other funds	75,000	-	-	75,000
Due to other governments	63	-	-	63
Unearned revenue	-	-	3,284	3,284
<b>TOTAL LIABILITIES</b>	<b><u>708,716</u></b>	<b><u>-</u></b>	<b><u>18,064</u></b>	<b><u>726,780</u></b>
<b>FUND BALANCES</b>				
Restricted	13,743	394,500	444,552	852,795
Assigned	-	-	102,760	102,760
Unassigned	1,799,743	-	-	1,799,743
<b>TOTAL FUND BALANCES</b>	<b><u>1,813,486</u></b>	<b><u>394,500</u></b>	<b><u>547,312</u></b>	<b><u>2,755,298</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,522,202</u></b>	<b><u>\$ 394,500</u></b>	<b><u>\$ 565,376</u></b>	

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

Capital assets used in governmental 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 are:

Governmental capital asset	\$ 28,585,003	
Governmental accumulated depreciation	<u>(10,987,784)</u>	17,597,219

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements: 1,042,933

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements: (247,655)

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

General obligation debt	\$ (100,000)	
Accrued interest	(1,691)	
WRS liability	(580,604)	
Net OPEB obligation	<u>(1,368,549)</u>	(2,050,844)

**Total net position - governmental activities** **\$ 19,096,951**

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**

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

	GENERAL FUND	LONG-TERM CAPITAL IMPROVEMENT TRUST	SPECIAL REVENUE FUND TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Property taxes	\$ 2,940,419	\$ -	\$ -	\$ 460,926	\$ 3,401,345
Other local sources	106,480	-	344,796	166,681	617,957
Interdistrict sources	665,200	-	-	-	665,200
Intermediate sources	36,858	-	-	-	36,858
State sources	6,023,888	-	-	7,947	6,031,835
Federal sources	887,836	-	-	251,529	1,139,365
Other sources	18,707	-	-	863	19,570
<b>TOTAL REVENUES</b>	<u>10,679,388</u>	<u>-</u>	<u>344,796</u>	<u>887,946</u>	<u>11,912,130</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular instruction	3,161,220	-	-	-	3,161,220
Vocational instruction	420,232	-	-	-	420,232
Special instruction	881,382	-	-	-	881,382
Other instruction	575,348	-	261,859	-	837,207
Total instruction	<u>5,038,182</u>	<u>-</u>	<u>261,859</u>	<u>-</u>	<u>5,300,041</u>
Support services					
Pupil services	242,541	-	-	-	242,541
Instructional staff services	366,992	-	-	-	366,992
General administration services	267,093	-	-	-	267,093
Building administration services	382,355	-	-	-	382,355
Business services	1,793,067	-	-	444,402	2,237,469
Central services	46,137	-	-	4,429	50,566
Insurance	112,168	-	-	-	112,168
Other support services	217,318	-	-	-	217,318
Community services	-	-	-	247,517	247,517
Total support services	<u>3,427,671</u>	<u>-</u>	<u>-</u>	<u>696,348</u>	<u>4,124,019</u>
Non-program transactions	<u>1,864,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,864,282</u>
Debt service					
Principal	-	-	-	200,000	200,000
Interest	-	-	-	14,853	14,853
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,853</u>	<u>214,853</u>
Capital outlay	<u>154,202</u>	<u>-</u>	<u>-</u>	<u>57,076</u>	<u>211,278</u>
<b>TOTAL EXPENDITURES</b>	<u>10,484,337</u>	<u>-</u>	<u>261,859</u>	<u>968,277</u>	<u>11,714,473</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>195,051</u>	<u>-</u>	<u>82,937</u>	<u>(80,331)</u>	<u>197,657</u>
<b>OTHER FINANCING (USES) SOURCES</b>					
Net transfer (to) from other funds	<u>(175,000)</u>	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>20,051</u>	<u>-</u>	<u>82,937</u>	<u>94,669</u>	<u>197,657</u>
<b>FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	1,793,435	77,462	-	686,744	2,557,641
<b>CHANGE WITHIN THE FINANCIAL REPORTING ENTITY</b>	<u>-</u>	<u>(77,462)</u>	<u>311,563</u>	<u>(234,101)</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING OF YEAR, AS RESTATED</b>	1,793,435	-	311,563	452,643	2,557,641
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 1,813,486</b></u>	<u><b>\$ -</b></u>	<u><b>\$394,500</b></u>	<u><b>\$ 547,312</b></u>	<u><b>\$ 2,755,298</b></u>

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS****RECONCILIATION OF THE 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 \$ 197,657

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 expenses in the statement of activities.

Capital outlay reported in fund statements	\$ 211,278	
Capital outlay reported as other expenses in fund statements	65,276	
Depreciation expense reported in the statement of activities	<u>(675,337)</u>	
Amount by which capital outlays are less than depreciation in the current period:		(398,783)

Wisconsin Retirement System pension asset, deferred inflows of resources, liability, and deferred outflows of resources changes: 83,483

Wisconsin Retirement System LRLIF deferred inflows of resources, liability, and deferred outflows of resources changes: (11,895)

OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes: 23,034

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

Amount of long-term debt principal payments in the current year is: 200,000

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

Amount of interest and other debt costs paid during the current period is	\$ 14,853	
Amount of interest and other debt costs accrued during the current period is	<u>(13,349)</u>	
Interest paid is greater than interest accrued by:		<u>1,504</u>

**Change in net position - governmental activities \$ 95,000**

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2024

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>
<b>ASSETS</b>	
Cash and investments	\$ 102,901
<b>TOTAL ASSETS</b>	<u><b>102,901</b></u>
 <b>NET POSITION</b>	
Restricted for	
Individuals and organizations	102,901
<b>TOTAL NET POSITION</b>	<u><b>\$ 102,901</b></u>

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>
ADDITIONS	
Investment income	\$ 1,270
Contributions	<u>3,000</u>
TOTAL ADDITIONS	<u>4,270</u>
DEDUCTIONS	
Disbursements	<u>7,500</u>
CHANGE IN NET POSITION	(3,230)
NET POSITION - BEGINNING OF YEAR	<u>106,131</u>
<b>NET POSITION - END OF YEAR</b>	<b><u>\$ 102,901</u></b>

The accompanying notes are an integral part of these statements.



**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

**REEDSVILLE PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - Summary of Significant Accounting Policies**

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

**Reporting Entity** - The Reedsville Public Schools is organized as a common school district. The District, governed by a five member elected school board, operates grades 4K through 12 and is comprised of all or parts of nine taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

**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.

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

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Fund Financial Statements

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

The District reports the following major governmental funds:

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

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted or committed to an expenditure for specific purposes other than debt service or capital projects.

The District has one fiduciary fund which accounts for a private purpose trust.

**Measurement Focus and Basis of Accounting**

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

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

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

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Cash and Investments** - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

**Property Tax Levy** - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and the District before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. 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, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real estate 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, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

**Due To/From Other Funds** - 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. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Capital Assets** - Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated acquisition value at the date of donation.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	50 years
Land improvements	\$5,000	Straight-line	10-20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years
Computer and related technology	\$5,000	Straight-line	5 years

**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 net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and 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.

**Other Post Employment Benefits (OPEB)** - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows and Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin Retirement System local retiree life insurance fund (LRLIF), and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has three types of items, Wisconsin Retirement System pension,

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Wisconsin Retirement System LRLIF, and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in its actuarial studies and are amortized over the average of the expected remaining service lives of participants.

**Estimates** - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Net Position Classifications** - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance Classifications** - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has not delegated authority to assign fund balances through its fund balance policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**NOTE 2 - Cash and Investments**

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2024, the District had the following investment:

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 2 - Cash and Investments - Continued**

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Certificates of deposit	Less than one year	\$ 80,330

**Determining Fair Value** - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has no items requiring recurring fair value measurements.

**Income Allocation** - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

**Interest Rate Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The State of Wisconsin Local Government Investment Pool and money market fund are not rated.

**Custodial Credit Risk** - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2024, \$1,404,429 of the District's bank balance of \$2,832,505 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by municipal securities held by the bank in the bank's name. There were no deposits that were uninsured and uncollateralized.

**NOTE 3 - Capital Assets**

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

**REEDSVILLE PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2024**

**NOTE 3 - Capital Assets - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 51,500	\$ -	\$ -	\$ 51,500
Capital assets being depreciated:				
Land improvements	705,827	-	-	705,827
Buildings and improvements	25,962,865	150,395	-	26,113,260
Equipment	1,838,894	128,440	(252,918)	1,714,416
Total capital assets being depreciated	28,507,586	278,835	(252,918)	28,533,503
Less accumulated depreciation for:				
Land improvements	(542,894)	(13,126)	-	(556,020)
Buildings and improvements	(8,601,729)	(598,099)	-	(9,199,828)
Equipment	(1,418,461)	(64,112)	250,637	(1,231,936)
Total accumulated depreciation	(10,563,084)	(675,337)	250,637	(10,987,784)
Total capital assets being depreciated, net of accumulated depreciation	17,944,502	(396,502)	(2,281)	17,545,719
Capital assets, net of accumulated depreciation	\$ 17,996,002	\$ (396,502)	\$ (2,281)	\$ 17,597,219

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 14,246
Vocational instruction	6,677
Other instruction	8,940
Instructional staff services	2,035
Building administration services	574,681
Business services	68,758
Total	<u>\$ 675,337</u>

**NOTE 4 - Long-Term Obligations**

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Notes payable - direct borrowing	\$ 300,000	\$ -	\$ (200,000)	\$ 100,000	\$ -
Wisconsin Retirement System					
Net pension liability	1,243,759	-	(901,009)	342,750	-
LRLIF	195,303	42,551	-	237,854	-
OPEB healthcare	1,097,052	372,762	(101,265)	1,368,549	95,130
Total	<u>\$ 2,836,114</u>	<u>\$ 415,313</u>	<u>\$ (1,202,274)</u>	<u>\$ 2,049,153</u>	<u>\$ 95,130</u>



**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 4 - Long-Term Obligations - Continued**

In prior years, the general and food service funds liquidated vested employee benefits. Interest cost incurred during the year totaled \$13,349 and total paid during the year aggregated \$14,853.

**General Obligation Debt** - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2024 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Note payable - direct borrowing	10/24/22	4.39%	10/31/25	\$ 100,000

**Default With Finance Related Consequences** - The 10/24/22 note payable - direct borrowing contains a provision that in event of default, outstanding amounts become immediately due if the District is unable to make the payment.

**Subjective Acceleration Clause** - The 10/24/22 note payable - direct borrowing contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

**General Obligation Debt Limit Calculation** - The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$529,323,914. 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 percent of \$529,323,914)	\$ 52,932,391
Applicable long-term debt	(100,000)
Amount available in debt service fund	<u>7,420</u>
Margin of indebtedness	<u><u>\$ 52,839,811</u></u>

**Maturities of Long-Term Obligations** - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

<u>Year Ending</u>	<u>Notes Payable - Direct</u>		
	<u>Borrowing and Placement</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 5,866	\$ 5,866
2026	<u>100,000</u>	<u>2,244</u>	<u>102,244</u>
	<u><u>\$ 100,000</u></u>	<u><u>\$ 8,110</u></u>	<u><u>\$ 108,110</u></u>

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension**

**General Information about the Pension Plan**

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

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

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

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

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

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

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the “floor”) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

**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 \$320,777 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2024, the District reported a liability (asset) of \$342,750 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 0.02305283%, which was a decrease of .00042451% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$237,626.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,381,969	\$ 1,830,425
Net differences between projected and actual earnings on pension plan investments	1,194,431	-
Changes in assumptions	149,395	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,600	696
Employer contributions subsequent to the measurement date	201,042	-
Total	\$ 2,932,437	\$ 1,831,121

\$201,042 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, 2025. 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:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ 185,116
2026	194,586
2027	750,511
2028	(229,939)
Thereafter	-

**Actuarial Assumptions** - The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

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:	
Wage Inflation	3%
Seniority/Merit	.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, 2021. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

Asset Allocation Targets and Expected Returns  
As of December 31, 2023

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.7%.

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 single 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.

**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 (5.8 percent) or 1-percentage point higher (7.8 percent) than the current rate:

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 5 - Wisconsin Retirement System Pension - Continued**

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 3,312,852	\$ 342,750	\$ (1,735,555)

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

**Payables to the Pension Plan** - The District reported a payable of \$30,086 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund**

**General Information about the Other Post Employment Benefits**

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

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

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

**Benefits Provided** - The LRLIF plan provides fully paid life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for coverage.

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

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

Contribution rates as of June 30, 2024 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee contribution

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

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

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$1,297 in contributions from the employer.

**OPEB Liabilities, OPEB Expense (Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEBs**

At June 30, 2024, the District reported a liability (asset) of \$237,854 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.0517%, which was an increase of 0.000437% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of \$12,873.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,050
Net differences between projected and actual earnings on OPEB plan investments	3,213	-
Changes in assumptions	74,403	93,662
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,003	25,843
Employer contributions subsequent to the measurement date	553	-
Total	\$ 82,172	\$ 140,555



**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

\$553 was reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (7,320)
2026	(3,280)
2027	(12,905)
2028	(20,602)
Thereafter	(14,829)

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
WRS Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\* Based on the Bond Buyer GO 20-Bond Municipal index.

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

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

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2023

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40	2.32
US Mortgages	Bloomberg US MBS	60	2.52
Inflation			2.3
Long-term Expected Rate of Return			4.25

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

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

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
District's proportionate share of the net OPEB liability (asset)	\$ 319,590	\$ 237,854	\$ 175,463

**Payables to the Pension Plan** - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 7 - Interfund Balance and Activity**

Interfund receivable and payable balances on June 30, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Long-term capital improvement trust	General	\$ 75,000

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Interfund transfers at June 30, 2024 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Non-referendum debt service	\$ 100,000
General	Long-term capital improvement trust	\$ 75,000

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 8 - Post Employment Benefits Other Than Pensions**

**General Information about the Post Employment Benefits Other Than Pensions**

**Plan Description** - The other post employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

**Benefits Provided** - Administrators with 20 years of service will receive contributions towards their medical and dental premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service, not to exceed 7 years for 35 or more years of service.

Teachers at least age 55 with 20 years of service in the District with 10 years in prior to June 30, 2012, will receive contributions towards their medical premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service as of June 30, 2012, not to exceed Medicare-eligibility. Teachers with less than 10 years of service prior to June 30, 2012, will receive a contribution of \$45,000 into a Health Reimbursement Arrangement paid in monthly installments over a period of 3 years. These monies may be used for monthly premiums or for other eligible expenses.

Support staff at least age 55 with 25 years of service in the District will receive contributions towards their medical premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service as of June 30, 2012, but not to exceed Medicare-eligibility.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

**Employees Covered** - As of the June 30, 2022 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>77</u>
Total	<u>85</u>

**Contributions** - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2024, contribution rates for Plan members were \$7 - \$693 per participant per month and \$606 - \$2,064 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$0 and the District contributed \$95,130 to the plan.

**Actuarial Assumptions** - The net OPEB healthcare liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	4.13%
Mortality:	2020 WRS Experience Tables
Medical Care Cost Trend:	7% decreasing to 6.5%, then decreasing by .1% per year to 4.5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2020.

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

**Discount Rate** - A discount rate of 4.13% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate did incorporate a municipal bond rate.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

**Changes in the OPEB Healthcare Liability**

	OPEB Healthcare Liability
Beginning balance	<u>\$ 1,097,052</u>
Changes for the year:	
Service cost	47,728
Interest	42,811
Changes of benefit terms	38,693
Differences between expected and actual experience	200,972
Changes of assumptions or other input	42,558
Benefit payments	<u>(101,265)</u>
Net changes	<u>271,497</u>
Ending balance	<u><u>\$ 1,368,549</u></u>

**Sensitivity of the OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate** - The following presents the OPEB healthcare liability calculated using the healthcare cost trend rate of 7 percent decreasing to 4.5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6 percent decreasing to 3.5 percent) or 1-percentage-point higher (8 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease (6% decreasing to 3.5%)	Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1% Increase (8% decreasing to 5.5%)
OPEB healthcare liability	\$ 1,319,404	\$ 1,368,549	\$ 1,422,459

**Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate** - The following presents the OPEB healthcare liability calculated using the discount rate of 4.13 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
OPEB healthcare liability	\$ 1,424,823	\$ 1,368,549	\$ 1,313,343

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

For the year ended June 30, 2024, the District recognized OPEB healthcare expense (revenue) of \$72,096.

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

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 185,513	\$ 539,882
Changes in assumptions	117,040	105,456
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	95,130	-
<b>Total</b>	<b>\$ 397,683</b>	<b>\$ 645,338</b>

\$95,130 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a decrease on the net OPEB healthcare liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (57,136)
2026	(57,136)
2027	(57,136)
2028	(57,136)
2029	(57,136)
Thereafter	(57,105)

**Payables to the OPEB Healthcare Plan** - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2024.

**NOTE 9 - Fund Balance and Net Position**

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Restricted		
General	Common school fund	\$ 13,743
Trust	Specific expenses	\$ 394,500
Non-referendum debt service	Principal and interest	\$ 7,420
Community service	Specific expenses	\$ 283,945
Long-term capital improvement trust	DPI regulation	\$ 153,187
Assigned		
Food Service	DPI regulation	\$ 102,760

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 9 - Fund Balance and Net Position - Continued**

Governmental Activities

Restricted

Special revenue	Specific expenses and DPI regulation	\$	678,445
Debit service	Principal and interest	\$	7,420
Capital projects	DPI regulation	\$	153,187
Other activities	Common school fund	\$	13,743

**NOTE 10 - Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

**NOTE 11 - Commitments and Contingencies**

The District has a service agreement with Cooperative Education Service Agency #7 for services to be provided to the District in 2024-2025. Expected costs are \$102,224.

The District has a transportation agreement with estimated costs for the following school years:

2024-2025	\$ 492,855
2025-2026	506,145
2026-2027	531,453
2027-2028	558,026
2028-2029	585,927
	<u>\$2,674,406</u>

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

**NOTE 12 - Limitation of School District Revenue**

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2024

**NOTE 13 - Change Within the Financial Reporting Entity**

The long-term capital improvement fund changed from a major fund to a nonmajor fund. The special revenue trust fund changed from a nonmajor fund to a major fund.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
Funds			
	Long-Term Capital Improvement Trust	Special Revenue Trust	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 77,462	\$ -	\$ 686,744
Change from major to nonmajor fund	(77,462)	-	77,462
Change from nonmajor fund to major	-	311,563	(311,563)
June 30, 2023, as restated	<u>\$ -</u>	<u>\$ 311,563</u>	<u>\$ 452,643</u>



**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**REEDSVILLE PUBLIC SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
<b>REVENUES</b>										
Property taxes	\$ 2,795,723	\$ -	\$ 2,795,723	\$ 2,940,564	\$ -	\$ 2,940,564	\$ 2,940,419	\$ -	\$ 2,940,419	\$ (145)
Other local sources	65,000	-	65,000	83,656	-	83,656	106,480	-	106,480	22,824
Interdistrict sources	669,077	-	669,077	674,863	-	674,863	665,200	-	665,200	(9,663)
Intermediate sources	12,000	20,000	32,000	14,000	21,085	35,085	15,432	21,426	36,858	1,773
State sources	5,787,596	251,518	6,039,114	5,798,698	249,779	6,048,477	5,768,088	255,800	6,023,888	(24,589)
Federal sources	691,556	236,125	927,681	679,306	247,500	926,806	663,029	224,807	887,836	(38,970)
Other sources	24,577	-	24,577	15,254	-	15,254	18,707	-	18,707	3,453
<b>TOTAL REVENUES</b>	<b>10,045,529</b>	<b>507,643</b>	<b>10,553,172</b>	<b>10,206,341</b>	<b>518,364</b>	<b>10,724,705</b>	<b>10,177,355</b>	<b>502,033</b>	<b>10,679,388</b>	<b>(45,317)</b>
<b>EXPENDITURES</b>										
Current										
Instruction										
Regular instruction	2,942,324	-	2,942,324	3,210,493	-	3,210,493	3,161,220	-	3,161,220	49,273
Vocational instruction	500,289	-	500,289	419,318	-	419,318	420,232	-	420,232	(914)
Special instruction	-	871,394	871,394	-	889,177	889,177	-	881,382	881,382	7,795
Other instruction	582,496	-	582,496	595,188	-	595,188	575,348	-	575,348	19,840
Total instruction	4,025,109	871,394	4,896,503	4,224,999	889,177	5,114,176	4,156,800	881,382	5,038,182	75,994
Support services										
Pupil services	172,620	61,995	234,615	164,534	83,862	248,396	155,878	86,663	242,541	5,855
Instructional staff services	411,287	113,510	524,797	249,333	118,400	367,733	252,741	114,251	366,992	741
General administration services	286,135	-	286,135	274,630	-	274,630	267,093	-	267,093	7,537
Building administration services	383,941	-	383,941	388,601	-	388,601	382,355	-	382,355	6,246
Business services	1,765,893	36,690	1,802,583	1,764,794	22,927	1,787,721	1,770,192	22,875	1,793,067	(5,346)
Central services	53,000	-	53,000	43,600	-	43,600	46,137	-	46,137	(2,537)
Insurance	109,690	-	109,690	110,555	-	110,555	112,168	-	112,168	(1,613)
Other support services	238,769	-	238,769	223,975	-	223,975	217,318	-	217,318	6,657
Total support services	3,421,335	212,195	3,633,530	3,220,022	225,189	3,445,211	3,203,882	223,789	3,427,671	17,540
Non-program transactions	1,670,621	99,380	1,770,001	1,760,550	122,793	1,883,343	1,758,983	105,299	1,864,282	19,061
Capital outlay	178,138	-	178,138	156,975	-	156,975	154,202	-	154,202	2,773
<b>TOTAL EXPENDITURES</b>	<b>9,295,203</b>	<b>1,182,969</b>	<b>10,478,172</b>	<b>9,362,546</b>	<b>1,237,159</b>	<b>10,599,705</b>	<b>9,273,867</b>	<b>1,210,470</b>	<b>10,484,337</b>	<b>115,368</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>750,326</b>	<b>(675,326)</b>	<b>75,000</b>	<b>843,795</b>	<b>(718,795)</b>	<b>125,000</b>	<b>903,488</b>	<b>(708,437)</b>	<b>195,051</b>	<b>70,051</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfer (to) / from other funds	(750,326)	675,326	(75,000)	(843,795)	718,795	(125,000)	(883,437)	708,437	(175,000)	(50,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,051</b>	<b>-</b>	<b>20,051</b>	<b>20,051</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,793,435</b>	<b>-</b>	<b>1,793,435</b>	<b>1,793,435</b>	<b>-</b>	<b>1,793,435</b>	<b>1,793,435</b>	<b>-</b>	<b>1,793,435</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,793,435</b>	<b>\$ -</b>	<b>\$ 1,793,435</b>	<b>\$ 1,793,435</b>	<b>\$ -</b>	<b>\$ 1,793,435</b>	<b>\$ 1,813,486</b>	<b>\$ -</b>	<b>\$ 1,813,486</b>	<b>\$ 20,051</b>

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**JUNE 30, 2024**

**NOTE 1 - Budgetary Information** - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

**NOTE 2 - Excess of Actual Expenditure Over Budget** - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	Business services	\$ 5,346
General/Special Education	Central services	2,537
General/Special Education	Insurance	1,613
General/Special Education	Transfer to other funds	50,000

**REEDSVILLE PUBLIC SCHOOLS**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.02305283%	\$ 342,750	\$ 4,378,442	7.83%	98.85%
2022	0.02347734%	1,243,759	4,204,530	29.58%	95.72%
2021	0.02371195%	(1,911,226)	4,057,559	-47.10%	106.02%
2020	0.02406408%	(1,502,353)	3,962,509	-37.91%	105.26%
2019	0.02429162%	(783,272)	3,827,691	-20.46%	102.96%
2018	0.02453511%	872,882	3,779,885	23.09%	96.45%
2017	0.02467047%	(732,495)	3,622,000	-20.22%	102.93%
2016	0.02507554%	206,682	3,560,955	5.80%	99.12%
2015	0.02594862%	421,660	3,551,841	11.87%	98.20%
2014	0.02718990%	(667,858)	3,580,242	-18.65%	102.74%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 320,777	\$ (320,777)	\$ -	\$ 4,674,465	6.86%
2023	312,089	(312,089)	-	4,080,580	7.65%
2022	247,832	(247,832)	-	4,057,559	6.11%
2021	267,469	(267,469)	-	3,962,509	6.75%
2020	250,713	(250,713)	-	3,827,691	6.55%
2019	253,251	(253,251)	-	3,779,885	6.70%
2018	246,295	(246,295)	-	3,622,000	6.80%
2017	235,024	(235,024)	-	3,560,955	6.60%
2016	241,523	(241,523)	-	3,551,841	6.80%
2015	250,619	(250,619)	-	3,580,242	7.00%

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

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in WRS.

Change 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 ended December 31, 2021, including the following:

- \* Lowering the long-term expected rate of return from 7% to 6.8%
- \* Lowering the discount rate from 7% to 6.8%
- \* Lowering the price inflation rate from 2.5% to 2.4%
- \* Lowering the post-retirement adjustments from 1.9% to 1.7%
- \* Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

- \* Lowering the long-term expected rate of return from 7.2% to 7%
- \* Lowering the discount rate from 7.2% to 7%
- \* Lowering the wage inflation rate from 3.2% to 3%
- \* 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.

**REEDSVILLE PUBLIC SCHOOLS**  
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued  
YEAR ENDED JUNE 30, 2024

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
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)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	1.7%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	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 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	Wisconsin 2020 Mortality Table. 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 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**REEDSVILLE PUBLIC SCHOOLS**  
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued  
YEAR ENDED JUNE 30, 2024

**Notes to Required Supplementary Information for the Year Ended June 30, 2024 - Continued**

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	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)
Actuarial Assumptions					
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%
Salary Increases					
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 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

\* 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.

**REEDSVILLE PUBLIC SCHOOLS**  
**WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	0.05170000%	\$ 237,854	\$ 3,503,000	6.79%	33.90%
2022	0.05126300%	195,303	3,306,000	5.91%	38.81%
2021	0.05697600%	336,749	3,386,000	9.95%	29.57%
2020	0.05964300%	328,080	3,105,000	10.57%	31.36%
2019	0.05856600%	249,385	3,031,000	8.23%	37.58%
2018	0.05789800%	149,396	2,899,000	5.15%	48.69%
2017	0.06030800%	181,441	2,536,124	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

District Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,297	\$ (1,297)	\$ -	\$ 3,508,000	0.04%
2023	1,011	(1,011)	-	3,306,000	0.03%
2022	1,091	(1,091)	-	3,386,000	0.03%
2021	1,189	(1,189)	-	3,105,000	0.04%
2020	1,058	(1,058)	-	3,031,000	0.03%
2019	1,115	(1,115)	-	2,899,000	0.04%
2018	1,145	(1,145)	-	2,536,124	0.05%

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

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

Changes of benefit terms - there were no recent changes in benefit terms.

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

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

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

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

- \* Lowering the long-term expected rate of return from 5% to 4.25%
- \* Lowering the wage inflation rate from 3.2% to 3%
- \* Lowering the price inflation rate from 2.7% to 2.5%
- \* Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality table.

**REEDSVILLE PUBLIC SCHOOLS**  
**OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF CHANGES IN THE TOTAL NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Healthcare Liability</b>							
Service cost	\$ 47,728	\$ 60,184	\$ 80,479	\$ 63,976	\$ 76,814	\$ 80,118	\$ 80,118
Interest	42,811	27,742	34,460	48,833	68,479	62,242	60,984
Changes of benefit terms	38,693	-	(82,456)	-	-	-	-
Differences between expected and actual experience	200,972	(86,580)	(227,833)	-	(544,237)	-	-
Changes of assumptions or other input	42,558	(82,241)	(35,480)	84,390	44,099	(22,690)	-
Benefit payments	(101,265)	(49,875)	(65,337)	(72,903)	(66,343)	(74,138)	(136,183)
Net Changes in Total OPEB Healthcare Liability	271,497	(130,770)	(296,167)	124,296	(421,188)	45,532	4,919
Total OPEB Healthcare Liability - Beginning	1,097,052	1,227,822	1,523,989	1,399,693	1,820,881	1,775,349	1,770,430
<b>Total OPEB Healthcare Liability - Ending</b>	<b>\$ 1,368,549</b>	<b>\$ 1,097,052</b>	<b>\$ 1,227,822</b>	<b>\$ 1,523,989</b>	<b>\$ 1,399,693</b>	<b>\$ 1,820,881</b>	<b>\$ 1,775,349</b>
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 4,275,009	\$ 3,857,233	\$ 3,857,233	\$ 2,846,655	\$ 2,846,655	\$ 2,894,192	\$ 2,894,192
OPEB Healthcare Liability as a percentage of covered payroll	32.01%	28.44%	31.83%	53.54%	49.17%	62.92%	61.34%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	(101,265)	(49,875)	(65,337)	(72,903)	(66,343)	(74,138)	(136,183)
Contribution deficiency (excess)	\$ (101,265)	\$ (49,875)	\$ (65,337)	\$ (72,903)	\$ (66,343)	\$ (74,138)	\$ (136,183)
Covered payroll	\$ 4,275,009	\$ 3,857,233	\$ 3,857,233	\$ 2,846,655	\$ 2,846,655	\$ 2,894,192	\$ 2,894,192
Contributions as a percentage of covered payroll	2.37%	1.29%	1.69%	2.56%	2.33%	2.56%	4.71%
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % open amortization, 4.13% discount rate, 2020 WRS Experience Tables.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - changed the discount rate from 4% to 4.13%



**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**SUPPLEMENTARY INFORMATION**

**REEDSVILLE PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM	LONG-TERM CAPITAL IMPROVEMENT TRUST	
<b>ASSETS</b>					
Cash and investments	\$103,840	\$ 297,718	\$ 7,420	\$ 78,187	\$ 487,165
Due from other funds	-	-	-	75,000	75,000
Due from other governments	3,211	-	-	-	3,211
<b>TOTAL ASSETS</b>	<b>107,051</b>	<b>297,718</b>	<b>7,420</b>	<b>153,187</b>	<b>565,376</b>
<b>LIABILITIES</b>					
Accrued payroll liabilities	1,007	13,773	-	-	14,780
Unearned revenue	3,284	-	-	-	3,284
<b>TOTAL LIABILITIES</b>	<b>4,291</b>	<b>13,773</b>	<b>-</b>	<b>-</b>	<b>18,064</b>
<b>FUND BALANCES</b>					
Restricted	-	283,945	7,420	153,187	444,552
Assigned	102,760	-	-	-	102,760
<b>TOTAL FUND BALANCES</b>	<b>102,760</b>	<b>283,945</b>	<b>7,420</b>	<b>153,187</b>	<b>547,312</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$107,051</b>	<b>\$ 297,718</b>	<b>\$ 7,420</b>	<b>\$ 153,187</b>	<b>\$ 565,376</b>

**REEDSVILLE PUBLIC SCHOOLS**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FOOD COMMUNITY		NON-REFERENDUM	LONG-TERM CAPITAL IMPROVEMENT	TRUST	
	TRUST	SERVICE SERVICE				
REVENUES						
Property taxes	\$ -	\$ -	\$ 350,000	\$ 110,926	\$ -	\$ 460,926
Other local sources	-	137,551	27,680	725	725	166,681
State sources	-	7,947	-	-	-	7,947
Federal sources	-	251,529	-	-	-	251,529
Other sources	-	863	-	-	-	863
TOTAL REVENUES	-	397,890	377,680	111,651	725	887,946
EXPENDITURES						
Current						
Support service						
Business services	-	399,481	44,921	-	-	444,402
Central services	-	-	4,429	-	-	4,429
Community services	-	-	247,517	-	-	247,517
Total support services	-	399,481	296,867	-	-	696,348
Debt service						
Principal	-	-	-	200,000	-	200,000
Interest	-	-	-	14,853	-	14,853
Total debt service	-	-	-	214,853	-	214,853
Capital outlay	-	13,030	44,046	-	-	57,076
TOTAL EXPENDITURES	-	412,511	340,913	214,853	-	968,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(14,621)	36,767	(103,202)	725	(80,331)
OTHER FINANCING SOURCES						
Net transfer (to) from other funds	-	-	-	100,000	75,000	175,000
NET CHANGE IN FUND BALANCE	-	(14,621)	36,767	(3,202)	75,725	94,669
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	311,563	117,381	247,178	10,622	-	686,744
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	(311,563)	-	-	-	77,462	(234,101)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	-	117,381	247,178	10,622	77,462	452,643
FUND BALANCES - END OF YEAR	\$ -	\$ 102,760	\$ 283,945	\$ 7,420	\$ 153,187	\$ 547,312

**REEDSVILLE PUBLIC SCHOOLS**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2023	REVENUES GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2024	SUBRECIPIENT PASS-THROUGH EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Wisconsin Department of Public Instruction								
<u>Child Nutrition Cluster</u>								
School Breakfast Program July 1, 2023 - June 30, 2024	2024-364760-DPI-SB-546	10.553	N/A	\$ -	\$ 56,076	\$ 56,738	\$ 662	\$ -
Food Distribution July 1, 2023 - June 30, 2024	None	10.555	N/A	-	34,966	34,966	-	-
National School Lunch Program July 1, 2023 - June 30, 2024	2024-364760-DPI-NSL-547	10.555	N/A	-	157,276	159,825	2,549	-
Total Child Nutrition Cluster				-	248,318	251,529	3,211	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	248,318	251,529	3,211	-
<b>FEDERAL COMMUNICATIONS COMMISSION</b>								
Universal Service Administrative Company								
Emergency Connectivity Fund July 1, 2023 - June 30, 2024	None	32.009	N/A	-	11,610	11,610	-	-
TOTAL FEDERAL COMMUNICATIONS COMMISSION				-	11,610	11,610	-	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title VI-B - Rural Education Achievement Program July 1, 2023 - June 30, 2024	None	84.358B	N/A	-	43,375	43,375	-	-
Wisconsin Department of Public Instruction								
<u>Title IA Cluster</u>								
Title IA - Grants to Local Educational Agencies July 1, 2022 - June 30, 2023	2023-364760-DPI-TI-A-141	84.010A	N/A	17,414	17,414	-	-	-
July 1, 2023 - June 30, 2024	2024-364760-DPI-TI-A-141		\$ 82,403	-	75,903	75,903	-	-
Total Title IA Cluster				17,414	93,317	75,903	-	-
<u>Special Education Cluster</u>								
Special Education - Grants to States (IDEA Flow Thru) July 1, 2022 - June 30, 2023	2023-364760-DPI-FLOW-341	84.027A	N/A	90,431	90,431	-	-	-
July 1, 2023 - June 30, 2024	2024-364760-DPI-FLOW-341		200,165	-	175,454	175,454	-	-
Special Education - Preschool Grants July 1, 2022 - June 30, 2023	2023-364760-DPI-PRESCH-347	84.173A	N/A	9,319	9,319	-	-	-
July 1, 2023 - June 30, 2024	2024-364760-DPI-PRESCH-347		11,493	-	11,493	11,493	-	-
Total Special Education Cluster				99,750	286,697	186,947	-	-
Title II-A - Supporting Effective Instruction State Grants July 1, 2022 - June 30, 2023	2023-364760-DPI-TIIA-365	84.367A	N/A	15,194	15,194	-	-	-
July 1, 2023 - June 30, 2024	2024-364760-DPI-TIIA-365		18,662	-	13,699	13,699	-	-
Title-IV - Student Support and Academic Enrichment Grant July 1, 2023 - June 30, 2024	2024-364760-DPI-TIVA-381	84.424A		12,496	-	12,496	-	-
<u>Education Stabilization Fund</u>								
COVID-19 - Evidence-Based After School Program (ARPA) March 13, 2020 - September 30, 2023	2023-364760-DPI-ESF Af-Sch-165	84.425U	N/A	9,250	9,250	-	-	-
March 13, 2020 - September 30, 2024	2024-364760-DPI-ESF Af-Sch-165		240,000	-	134,175	230,750	96,575	-
COVID-19 - Elementary and Secondary School Emergency Relief Decemeber 1, 2022 - September 30, 2024	2024-364760-DPI-Summer-165	84.425U		240,000	-	101,192	138,808	-
Total Education Stabilization Fund				9,250	244,617	470,750	235,383	-
Cooperative Educational Service Agency #6								
Career and Technical Education - Basic Grants to States July 1, 2022 - June 30, 2023	None	84.048	N/A	1,746	1,746	-	-	-
July 1, 2023 - June 30, 2024	None		N/A	-	4,870	4,870	-	-
Cooperative Educational Service Agency #7								
Title III - English Language Acquisition Grants July 1, 2023 - June 30, 2024	None	84.365A	N/A	-	2,762	2,762	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION				143,354	718,773	810,802	235,383	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Cooperative Education al Service Agency #7								
Public Health Emergency Response July 1, 2023 - June 30, 2024	None	93.354	N/A	-	2,306	2,306	-	-
Wisconsin Department of Health Services								
Medical Assistance July 1, 2023 - June 30, 2024	None	93.778	N/A	-	73,055	73,055	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	75,361	75,361	-	-
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 143,354</b>	<b>\$ 1,054,062</b>	<b>\$ 1,149,302</b>	<b>\$ 238,594</b>	<b>\$ -</b>

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2024**

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH	STATE	RECEIVABLE				RECEIVABLE	SUBRECIPIENT PASS-THROUGH EXPENDITURES					
	ENTITY	I.D.	(UNEARNED	REVENUE		(UNEARNED							
	IDENTIFYING	NUMBER	REVENUE)	GRANTOR	EXPENDITURES	REVENUE)							
JULY 1, 2023													
REIMBURSEMENTS													
EXPENDITURES													
JUNE 30, 2024													
EXPENDITURES													
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION													
Wisconsin Department of Public Instruction													
Special Education and School Age Parents	364760-100	255.101	\$	-	\$	247,160	\$	253,646	\$	6,486	\$	8,263	
Participant in program at CESA #7	None	255.101	-	-	-	18,426	-	18,426	-	-	-	-	
State School Lunch Aid	364760-107	255.102	-	-	-	2,911	-	2,911	-	-	-	-	
Common School Fund Library Aid	364760-104	255.103	-	-	-	58,296	-	58,296	-	-	-	-	
General Transportation Aid	364760-102	255.107	-	-	-	49,661	-	49,661	-	-	-	-	
Wisconsin School Day Milk Program	364760-109	255.115	-	-	-	2,720	-	2,720	-	-	-	-	
General Aids Cluster													
Equalization Aid	364760-116	255.201	-	-	-	4,822,411	-	4,822,411	-	-	-	-	
High Cost Special Education Aid	364760-119	255.210	-	-	-	4,147	-	4,147	-	-	-	-	
Sparsity Aid	364760-162	255.212	-	-	-	251,743	-	251,743	-	-	-	-	
Aid for Mental Health Programs	364760-176	255.227	-	-	-	2,073	-	2,073	-	-	-	-	
School Based Mental Health Services	364760-177	255.297	-	-	-	20,563	-	20,563	-	-	-	-	
School Breakfast Program	364760-108	255.344	-	-	-	2,316	-	2,316	-	-	-	-	
Early College Credit	364760-178	255.445	-	-	-	172	-	172	-	-	-	-	
Educator Effectiveness Evaluation System	364760-154	255.940	-	-	-	4,480	-	4,480	-	-	-	-	
Per Pupil Aid	364760-113	255.945	-	-	-	463,750	-	463,750	-	-	-	-	
High Cost Transportaion Aid	364760-114	255.947	-	-	-	31,329	-	31,329	-	-	-	-	
Career and Technical Education Incentive	364760-151	255.950	-	-	-	18,556	-	18,556	-	-	-	-	
Assessments of Reading Readiness	364760-166	255.956	-	-	-	2,352	-	2,352	-	-	-	-	
Aid for Special Education Transition Grants	364760-168	255.960	-	-	-	4,493	-	4,493	-	-	-	-	
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION				-		6,007,559		6,014,045		6,486		8,263	
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT													
Cooperative Educational Service Agency #6													
Youth Apprenticeship Grant	None	445.107	-	-	-	5,494	-	5,494	-	-	-	-	
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT				-		5,494		5,494		-		-	
WISCONSIN DEPARTMENT OF NATURAL RESOURCES													
Payment in Lieu of Taxes	None	None	-	-	-	228	-	228	-	-	-	-	
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES				-		228		228		-		-	
WISCONSIN DEPARTMENT OF REVENUE													
Exempt Computer Aid	None	None	2,356	-	-	2,356	-	2,356	-	2,356	-	-	
Exempt Personal Property Aid	None	None	-	-	-	40,118	-	40,118	-	-	-	-	
TOTAL WISCONSIN DEPARTMENT OF REVENUE				2,356		42,474		42,474		2,356		-	
TOTAL STATE FINANCIAL ASSISTANCE				\$	2,356	\$	6,055,755	\$	6,062,241	\$	8,842	\$	8,263

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2024

**NOTE 1 - Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Reedsville Public Schools. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

**NOTE 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable and are limited as to reimbursement.

**NOTE 3 - Special Education and School Age Parents Program**

2023-2024 eligible costs under the State Special Education Program are \$942,722.

**NOTE 4 - Food Distribution Program**

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

**NOTE 5 - 10% De Minimis Cost Rate**

Elected not to use.

**REEDSVILLE PUBLIC SCHOOLS  
REEDSVILLE, WISCONSIN**

**OTHER REPORTS**



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

To the Board of Education  
Reedsville Public Schools  
Reedsville, 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 Reedsville Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Reedsville Public Schools' basic financial statements, and have issued our report thereon dated October 22, 2024.

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

In planning and performing our audit of the financial statements, we considered the Reedsville Public Schools' 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 Reedsville Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Reedsville Public Schools' 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. 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 significant deficiencies.



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

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

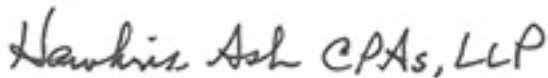
## **Reedsville Public Schools' Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Reedsville Public Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Reedsville Public Schools' responses were not subjected to the 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 that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Reedsville Public Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin  
October 22, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES**

To the Board of Education  
Reedsville Public Schools  
Reedsville, Wisconsin

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

***Opinion on Each Major Federal and State Program***

We have audited Reedsville Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Reedsville Public Schools' major federal and state programs for the year ended June 30, 2024. Reedsville Public Schools' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal and State Program***

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

We are required to be independent of Reedsville Public Schools 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 Reedsville Public Schools' 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 Reedsville Public Schools' federal and state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

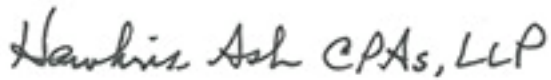
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The script is cursive and somewhat stylized, with the letters "H", "A", and "C" being particularly prominent.

Manitowoc, Wisconsin  
October 22, 2024

**REEDSVILLE PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2024**

**Section I - Summary of Auditors' Results**

**Financial Statements**

- |   |            |
|---|------------|
| 1. Type of auditors' report issued:   | Unmodified |
| 2. Internal control over financial reporting:                                       |            |
| a. Material weakness identified?  | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements?                              | No         |

**Federal Awards**

- |   |            |
|---|------------|
| 3. Internal control over financial reporting:   |            |
| a. Material weakness identified?  | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses?                       | No         |
| 4. Type of auditors' report issued on compliance for major programs:                                      | Unmodified |
| 5. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No         |

6. Identification of major federal programs:

**Assistance Listing Number**  
84.425U

**Name of Federal Program or Cluster**  
Education Stabilization Fund

**State Assistance**

- |  |            |
|--|------------|
| 7. Internal control over financial reporting:  |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses?  | No         |
| 8. Type of auditors' report issued on compliance for major programs:   | Unmodified |
| 9. Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | No         |

10. Identification of major state programs:

**State ID Number**  
255.201  
255.212  
255.945

**Name of State Program or Cluster**  
Equalization Aid  
Sparsity Aid  
Per Pupil Aid

- |   |           |
|---|-----------|
| 11. Dollar threshold used to distinguish between: |           |
| Type A and Type B federal programs:               | \$750,000 |
| Type A and Type B state programs:                 | \$250,000 |
| 12. Auditee qualified as low-risk auditee?        | Yes       |

**REEDSVILLE PUBLIC SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued  
JUNE 30, 2024

**Section II - Financial Statement Findings and Questioned Costs**

**2024-001 - Preparation of Financial Statements**

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2023-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

**2024-002 - Segregation of Duties**

Program: District-Wide

Criteria: Segregation of accounting duties is necessary for adequate internal control.

Condition: Separation of accounting duties for adjusting journal entries, cash receipts, and cash disbursements is currently limited to obtain an adequate internal control system.

Questioned Costs: Not applicable.

Context: The number of personnel limits the separation of accounting duties.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Systemic problem.

**REEDSVILLE PUBLIC SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued  
JUNE 30, 2024

Prior Year Finding: This was a prior year audit finding numbered 2023-002.

Recommendation: Management should monitor the accounting internal controls or hire additional personnel to be able to properly separate accounting duties.

Management's Response: This weakness is impractical to entirely correct due to the limited resources and personnel available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

**2024-003 - Significant Audit Adjustments**

Program: District-Wide

Criteria: Generally accepted accounting principles.

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2023-003.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

Management's Response: The District will incorporate financial reporting internal controls to detect significant adjustments, prevent misstated financial statements and increase the accuracy of the interim financial reports used by management.

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

None

**Section IV - Other Issues**

1. Does the auditors' report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material non-compliance,

**REEDSVILLE PUBLIC SCHOOLS**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued  
JUNE 30, 2024

non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Natural Resources	No
Wisconsin Department of Public Instruction	No
Wisconsin Department of Revenue	No
Wisconsin Department of Workforce Development	No

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

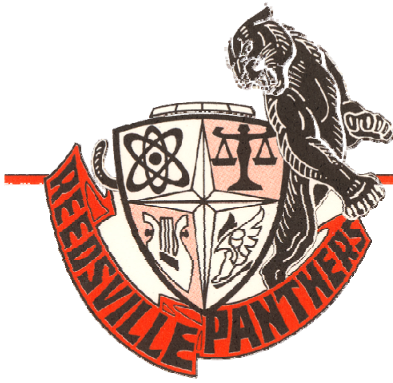
4. Name and signature of partner



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Randall L. Miller, Partner





# Reedsville Public Schools

P.O. Box 340, Reedsville, Wisconsin 54230-0340

Elementary/Middle School (920)754-4345 Phone (920)754-4577 Fax

High School (920)754-4341 Phone (920)754-4344 Fax

[www.reedsville.k12.wi.us](http://www.reedsville.k12.wi.us)

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN**

JUNE 30, 2024

### **Summary Schedule of Prior Audit Findings**

2023-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/13.

2023-002 - Segregation of Duties - Repeat. Initially occurred 6/30/99.

2023-003 - Significant Audit Adjustments - Repeat. Initially occurred 6/30/21.

### **Corrective Action Plan**

2024-001 - Preparation of Financial Statements - Contact: Ryan McCulley, Business Manager. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2024-002 - Segregation of Duties - Contact: Ryan McCulley, Business Manager. Completion date: N/A. The segregation of duties weakness is impractical to completely correct due to the limited resources and staff available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

2024-003 - Significant Audit Adjustments - Contact: Ryan McCulley, Business Manager. Completion date: June 30, 2025. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments. District management will review and approve the audit adjustments.