

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



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SOLON SPRINGS, WISCONSIN  
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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
School District of Solon Springs  
Solon Springs, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, other postemployment benefits plan schedules, and pension plan schedules as referenced 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and the charter school authorization annual report, sections VI and VII, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, as required by the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, charter school authorization annual report, sections VI and VII, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the charter school authorization report, sections I through V, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears to be materially misstated. If, based on work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
November 21, 2024

## **BASIC FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 STATEMENT OF NET POSITION  
 JUNE 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,891,446
Taxes Receivable	931,004
Accounts Receivable	19,587
Due from Other Governments	210,344
Prepaid Expenditures	1,500
Capital Assets:	
Capital Assets Not Being Depreciated/Amortized	94,172
Capital Assets Being Depreciated/Amortized	7,465,368
Accumulated Depreciation/Amortization	<u>(5,049,803)</u>
Total Assets	<u>6,563,618</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Wisconsin Retirement System Pension Plan Related	1,760,534
State Life Insurance Other Postemployment Benefits Related	94,858
Other Postemployment Benefits Related	<u>71,231</u>
Total Deferred Outflows of Resources	<u>1,926,623</u>
<b>LIABILITIES</b>	
Accounts Payable	94,853
Accrued Salaries and Wages	280,816
Payroll Taxes and Withholdings	185,298
Current Portion of Long-Term Obligations	61,245
Long-Term Liabilities:	
Subscription Liabilities	41,340
Lease Liabilities	8,332
Compensated Absences	860,455
Wisconsin Retirement System Net Pension Plan Liability	208,578
State Life Insurance Net Other Postemployment Benefits Liability	195,726
Other Postemployment Benefits	<u>139,517</u>
Total Liabilities	<u>2,076,160</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Wisconsin Retirement System Pension Related Items	1,120,271
State Life Insurance Other Postemployment Benefits Related	114,966
Other Postemployment Benefits Related	<u>51,831</u>
Total Deferred Inflows of Resources	<u>1,287,068</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,422,812
Restricted for:	
Food Service	15,691
Community Services	21,222
Other Purposes	286,291
Unrestricted	<u>2,380,997</u>
Total Net Position	<u><u>\$ 5,127,013</u></u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 2,192,042	\$ 304,717	\$ 197,284	\$ -	\$ (1,690,041)
Vocational Instruction	99,331	40,292	2,546	-	(56,493)
Special Instruction	520,681	216,675	307,263	-	3,257
Other Instruction	294,377	140,586	22,664	-	(131,127)
Total Instruction	<u>3,106,431</u>	<u>702,271</u>	<u>529,757</u>	<u>-</u>	<u>(1,874,403)</u>
Support Services:					
Pupil Services	385,732	-	77,275	-	(308,457)
Instructional Staff Services	324,628	-	163,279	10,275	(151,074)
General Administration Services	321,884	-	36,488	-	(285,396)
Building Administration Services	211,363	-	25,612	-	(185,751)
Business Services	131,979	-	-	-	(131,979)
Operations and Maintenance of Plant	386,967	-	35,193	-	(351,774)
Pupil Transportation Services	250,441	-	20,099	46,418	(183,924)
Food Service	255,018	67,854	155,993	-	(31,171)
Central Services	59,130	-	-	-	(59,130)
Insurance and Judgments	68,936	-	-	-	(68,936)
Interest and Fiscal Fees	3,755	-	-	-	(3,755)
Other Support Services	90,899	-	11,641	-	(79,258)
Community Services	399,471	229,366	37,936	-	(132,169)
Non-Program Transactions	648,539	-	-	-	(648,539)
Depreciation - Unallocated *	78,874	-	-	-	(78,874)
Total Support Services	<u>3,617,616</u>	<u>297,220</u>	<u>563,516</u>	<u>56,693</u>	<u>(2,700,187)</u>
Total Primary Government	<u>\$ 6,724,047</u>	<u>\$ 999,491</u>	<u>\$ 1,093,273</u>	<u>\$ 56,693</u>	<u>(4,574,590)</u>
<b>GENERAL REVENUES</b>					
Taxes:					
Property Taxes, Levied for General Purposes					2,414,316
Property Taxes, Levied for Community Service Purposes					125,000
Other Taxes					774
State Aids Not Restricted to Specific Functions:					
General					1,733,814
Other					372,310
Interest and Investment Earnings					114,984
Miscellaneous					136,505
Total General Revenues					<u>4,897,703</u>
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					
					<u>4,803,900</u>
<b>NET POSITION - END OF YEAR</b>					
					<u>\$ 5,127,013</u>

\* This amount excludes depreciation included in the direct expense of the various functions - see Note 3.B.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2024**

	Major Fund		Total
	General Fund	Nonmajor Funds	
<b>ASSETS</b>			
Cash and Investments	\$ 2,600,208	\$ 291,238	\$ 2,891,446
Taxes Receivable	931,004	-	931,004
Accounts Receivable	-	19,587	19,587
Due from Other Governments	201,515	8,829	210,344
Prepaid Expenditures	-	1,500	1,500
	<u>\$ 3,732,727</u>	<u>\$ 321,154</u>	<u>\$ 4,053,881</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 89,137	\$ 5,716	\$ 94,853
Accrued Salaries and Wages	269,299	11,517	280,816
Payroll Taxes and Withholdings	179,352	5,946	185,298
	<u>537,788</u>	<u>23,179</u>	<u>560,967</u>
Fund Balances:			
Restricted	25,229	297,975	323,204
Unassigned	3,169,710	-	3,169,710
	<u>3,194,939</u>	<u>297,975</u>	<u>3,492,914</u>
	<u>\$ 3,732,727</u>	<u>\$ 321,154</u>	<u>\$ 4,053,881</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
 JUNE 30, 2024**

**Total Fund Balances - Governmental Funds** \$ 3,492,914

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 13,500	
Land Improvements	346,200	
Buildings	5,191,251	
Machinery and Equipment	931,480	
Construction in Progress	80,672	
Motor Vehicles	866,370	
Leased Assets - Right-to-Use	69,338	
Subscription Asset	60,729	
Accumulated Depreciation/Amortization	<u>(5,049,803)</u>	2,509,737

Net pension plan and other postemployment benefit asset (liability) and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Wisconsin Retirement System Pension Plan:		
Net Pension Asset (Liability)	(208,578)	
Deferred Outflows of Resources	1,760,534	
Deferred Inflows of Resources	<u>(1,120,271)</u>	431,685
Other Postemployment Benefits:		
Other Postemployment Benefit Asset (Liability)	(335,243)	
Deferred Outflows of Resources	166,089	
Deferred Inflows of Resources	<u>(166,797)</u>	(335,951)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Lease Liability - Right-to-Use	(34,278)	
Subscription Liability	(52,647)	
Compensated Absences	<u>(884,447)</u>	<u>(971,372)</u>

**Net Position of Governmental Activities** \$ 5,127,013

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024**

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>REVENUES</b>			
Local Sources:			
Property Taxes	\$ 2,414,316	\$ 125,000	\$ 2,539,316
Other Local Sources	292,303	393,966	686,269
Interdistrict Sources	683,013	-	683,013
Intermediate Sources	2,590	-	2,590
State Sources	2,431,548	2,724	2,434,272
Federal Sources	495,357	192,080	687,437
Other Sources	14,263	-	14,263
Total Revenues	<u>6,333,390</u>	<u>713,770</u>	<u>7,047,160</u>
<b>EXPENDITURES</b>			
Instruction:			
Undifferentiated Curriculum	1,407,851	-	1,407,851
Regular Curriculum	754,456	-	754,456
Vocational Curriculum	100,159	-	100,159
Special Curriculum	539,101	-	539,101
Physical and Co-Curricular Activities	251,007	44,795	295,802
Support Services:			
Pupil Services	373,464	9,419	382,883
Instructional Staff Services	333,102	-	333,102
General Administration	313,349	-	313,349
School Building Administration	212,809	-	212,809
Business Services	128,684	-	128,684
Operations and Maintenance of Plant	408,862	41,965	450,827
Pupil Transportation Services	241,976	8,770	250,746
Food Service	-	239,871	239,871
Central Services	91,790	-	91,790
Insurance and Judgments	68,936	-	68,936
Debt Service	19,487	15,500	34,987
Other Support Services	86,145	-	86,145
Community Services	-	400,984	400,984
Non-Program	648,539	-	648,539
Total Expenditures	<u>5,979,717</u>	<u>761,304</u>	<u>6,741,021</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	353,673	(47,534)	306,139
<b>OTHER FINANCING SOURCES (USES)</b>			
Right to Use Lease Proceeds	-	33,934	33,934
Subscription Proceeds	60,729	-	60,729
Net Other Financing Sources (Uses)	<u>60,729</u>	<u>33,934</u>	<u>94,663</u>
<b>NET CHANGE IN FUND BALANCES</b>	414,402	(13,600)	400,802
Fund Balances - Beginning of Year	<u>2,780,537</u>	<u>311,575</u>	<u>3,092,112</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,194,939</u>	<u>\$ 297,975</u>	<u>\$ 3,492,914</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2024**

**Net Change in Fund Balances - Total Governmental Funds** \$ 400,802

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 329,698	
Depreciation/Amortization Expense Reported in the Statement of Activities	<u>(279,530)</u>	50,168

Wisconsin Retirement System Pension Plan:

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension assets (Liability and the related deferred inflows and outflows of resources).		58,311
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Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Long-term debt incurred in the current year is:

Right-to-use Lease Proceeds	(33,934)	
Subscription Liability	<u>(60,729)</u>	(94,663)

Repayment of long-term debt and related obligations are reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Subscription Liability Principal Payments	8,082	
The Amount of Right-to-Use Lease Principal Payments in the Current Year	<u>23,150</u>	31,232

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Other Postemployment Benefits	(19,720)	
Net Change in Compensated Absences	<u>(103,017)</u>	<u>(122,737)</u>

**Change in Net Position of Governmental Activities** \$ 323,113

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Reporting Entity**

The School District of Solon Springs is organized as a common school district. The District, governed by a five-member elected school board, operates grades pre-kindergarten through twelve and is comprised of all or parts of six taxing districts.

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

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

**C. Government-Wide and Fund Financial Statements**

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

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) 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.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has the following major governmental fund:

**General Fund** – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

The District does not report any fiduciary funds.

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

The government-wide 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 six months 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, lease liabilities, subscription liabilities, 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, acquisitions of right-to-use assets by lease arrangements, and acquisitions of subscription assets 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.

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

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

**1. Deposits and Investments**

Investments of the District are stated at fair value. The District's cash is considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Deposits and Investments (Continued)**

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

**2. Receivables and Payables**

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

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

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

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

**SCHOOL DISTRICT OF SOLON SPRINGS  
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 JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and Payables (Continued)**

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

**3. Inventories and Prepaid Items**

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

**4. Capital Assets**

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$5,000	Straight-Line	20 Years
Buildings	5,000	Straight-Line	50 Years
Building Improvements	5,000	Straight-Line	7 to 30 Years
Furniture and Equipment	5,000	Straight-Line	5 to 20 Years
Vehicles	5,000	Straight-Line	8 Years
Textbooks, Library, and Media*	5,000	Straight-Line	10 Years
Right-to-Use Leased Asset-Equipment	5,000	Straight-Line	5 Years
Right-to-Use Leased Asset-Buildings	5,000	Straight-Line	2 Years

**SCHOOL DISTRICT OF SOLON SPRINGS  
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JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets (Continued)**

\* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**5. Deferred Outflows of Resources**

The District would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred outflows of resources related to pension and other postemployment benefit related items.

**6. Deferred Inflows of Resources**

The District's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District reports deferred inflows of resources related to pension and other postemployment benefit related items.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. Compensated Absences**

The District's policy allows employees to accrue varying amounts of vacation pay on a fiscal year basis, however it operates on a use it lose it basis on a calendar year basis. The District's policy allows employees to accrue varying amounts of sick leave pay for each year employed. A liability for compensated absences is not accrued in the District's governmental fund financial statements but is recorded as expenditure when paid. Such liability is accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 4.D.

**8. Other Postemployment Benefits Payable (OPEB) – Single Employer Plan**

Under the provisions of various employee and union contracts the District provides contributions toward health care premiums for a period of time until Medicare-eligible if certain age and minimum years of service requirements are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. This amount was actuarially determined, in accordance with GASB 75.

**9. Other Postemployment Benefits (OPEB) – Multiple Employer Plan**

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

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

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

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**10. Wisconsin Retirement System Pension Benefits**

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

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

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

**11. Long-Term Obligations**

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

**12. Use of Restricted Resources**

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

**13. Equity Classifications**

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

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

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Equity Classifications (Continued)**

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District has not set a policy on minimum unassigned fund balance. Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Administrator has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned and finally unassigned fund balance.

**SCHOOL DISTRICT OF SOLON SPRINGS  
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 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024**

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

The District's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. In the general fund, expenditures exceeded the budgeted amount for expenditures as shown below:

<b>EXPENDITURES</b>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Instruction:			
Vocational Curriculum	99,965	100,159	(194)
Support Services:			
Central Services	49,942	91,790	(41,848)
Insurance and Judgments	66,336	68,936	(2,600)
Debt Services	9,047	19,487	(10,440)
Other Support Services	81,133	86,145	(5,012)
Nonprogram:			
Instructional Services	629,104	642,436	(13,332)
Other Nonprogram	6,000	6,103	(103)

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, donated funds are invested as the donor specifies. All other funds share in common cash and investment accounts.

**SCHOOL DISTRICT OF SOLON SPRINGS  
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 JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

The District's cash and investments balances at June 30, 2024 were shown in the financial statements as follows:

Governmental Funds	\$ 2,891,446
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The above balances at June 30, 2024 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State	
Depository Coverage	\$ 236,817
Investment with State Local Government	
Pooled-Investment Fund	2,654,329
Petty Cash	300
Total	\$ 2,891,446

Deposits at Financial Institutions

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides coverage of up to \$250,000 for time and savings deposits and up to an additional \$250,000 for demand accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the organization or party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2024, the District's deposits were not exposed to custodial credit risk.

**SCHOOL DISTRICT OF SOLON SPRINGS  
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JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Investments

The District's investments at June 30, 2024 consisted of the following:

**Deposits in State Local Government Pooled-Investment Fund.** The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. The State Investment Fund is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for the 12 month period ended June 30, 2024 was 17 days. Investment in the LGIP is measured at amortized cost.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes as previously discussed in Note 1.E.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the District.

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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Fair Value Measurements

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

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

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

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

There were no investments measured at fair value at June 30, 2024.

**SCHOOL DISTRICT OF SOLON SPRINGS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortized:				
Land	\$ -	\$ 13,500	\$ -	\$ 13,500
Construction Work in Progress	-	80,672	-	80,672
Total Capital Assets, Nondepreciable/Nonamortized	-	94,172	-	94,172
Capital Assets, Depreciable/Amortizable:				
Land Improvements	346,200	-	-	346,200
Buildings and Improvements	5,191,251	-	-	5,191,251
Machinery and Equipment	837,035	94,445	-	931,480
Motor Vehicles	819,952	46,418	-	866,370
Leased Assets (Right-to-Use)	58,828	33,934	(23,424)	69,338
Subscription Assets	-	60,729	-	60,729
Total Capital Assets, Depreciable/Amortizable	7,253,266	235,526	(23,424)	7,465,368
Accumulated Depreciation/Amortization:				
Land Improvements	323,658	1,189	-	324,847
Buildings and Improvements	3,264,190	132,349	-	3,396,539
Machinery and Equipment	561,191	72,373	-	633,564
Motor Vehicles	608,850	40,670	-	649,520
Leased Assets (Right-to-Use)	35,808	23,840	(23,424)	36,224
Subscription Assets	-	9,109	-	9,109
Total Accumulated Depreciation/Amortization	4,793,697	279,530	(23,424)	5,049,803
Governmental Activities Capital Assets				
Net of Accumulated Depreciation/Amortization	<u>\$ 2,459,569</u>	<u>\$ 50,168</u>	<u>\$ -</u>	<u>\$ 2,509,737</u>

Depreciation/Amortization was charged to governmental functions as follows:

Instruction:	
Regular Instruction	\$ 8,757
Special Instruction	87
Co-Curricular Activities	1,372
Support Services:	
Pupil Services	2,539
Instructional Staff Services	2,600
General Administrative Services	1,300
Operation and Maintenance of Plant	104,971
Pupil Transportation Services	40,670
Food Services	10,291
Central Services	28,069
Unallocated Depreciation	78,874
Total Depreciation/Amortization for Governmental Activities	<u>\$ 279,530</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Obligations**

Changes in Long-Term Obligations

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

	Balances July 1, 2023	Additions	Reductions	Balances June 30, 2024	Amounts Due Within One Year
Other Long-Term Obligations:					
Lease Liability - Right to Use	\$ 23,494	\$ 33,934	\$ 23,150	\$ 34,278	\$ 25,946
Subscription Liability	-	60,729	8,082	52,647	11,307
Vested Employee Benefits					
Compensated Absences	781,430	103,017	-	884,447	23,992
Total	<u>\$ 804,924</u>	<u>\$ 197,680</u>	<u>\$ 31,232</u>	<u>\$ 971,372</u>	<u>\$ 61,245</u>

The District's other long-term obligations are generally liquidated from the general fund and special revenue funds. The District's estimated liabilities for employee compensated absences are discussed in Note 4.D.

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

Debt Limit (10% of \$417,045,385)	\$ 41,704,539
Deduct Long-Term Debt Application to Debt Margin	-
Margin of Indebtedness	<u>\$ 41,704,539</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
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 JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Obligations (Continued)**

Lease Liability: Right-to-Use Asset Agreements

During the year, the District entered into a lease liability in the amount of \$33,934 for the right-to-use lease arrangements for building rent for the day care operation. The District also has lease liabilities for equipment entered into in prior years. The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement.

Total principal and interest costs for the lease for the governmental funds for the year ended June 30, 2024 was \$23,118 and \$1,429, respectively. The future minimum lease payments for this agreement is as follows:

<u>Fiscal Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2025	\$ 25,946	\$ 1,101	\$ 27,047
2026	8,332	80	8,412
Total	\$ 34,278	\$ 1,181	\$ 35,459

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. These assets acquired through right-to-use asset lease agreements are as follows:

	Governmental Activities
Right to Use Assets:	
Lease Asset - Machinery and Equipment	\$ 35,404
Lease Asset - Buildings	33,934
Less: Accumulated Amortization	(36,224)
Total	\$ 33,114

**SCHOOL DISTRICT OF SOLON SPRINGS  
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 JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Subscription-Based Information Technology Agreements**

The District entered into an agreement for the right to use subscription-based information technology. A subscription liability was recorded during the current fiscal year for the arrangement. The District used the incremental borrowing rate for the arrangement since an interest rate was not provided in the agreement.

The future payments under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 11,307	\$ 2,613	\$ 13,920
2026	11,944	1,976	13,920
2027	12,618	1,302	13,920
2028	13,330	590	13,920
2029	3,448	32	3,480
Total	<u>\$ 52,647</u>	<u>\$ 6,513</u>	<u>\$ 59,160</u>

**E. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at June 30, 2024 consisted of the following:

	<u>Total</u>	<u>Restricted</u>	<u>Unassigned</u>
Major Funds:			
General Fund:			
Restricted:			
Unspent Grants	\$ 25,229	\$ 25,229	\$ -
Unassigned	3,169,710	-	3,169,710
Subtotal General Fund	<u>3,194,939</u>	<u>25,229</u>	<u>3,169,710</u>
Nonmajor Funds:			
Special Revenue Funds:			
Food Service:			
Other Food Service Programs	15,691	15,691	-
Community Service Projects	21,222	21,222	-
Gift Fund Donor Specified Purposes	261,062	261,062	-
Subtotal Nonmajor Funds	<u>297,975</u>	<u>297,975</u>	<u>-</u>
Total Governmental Fund Balances at June 30, 2024	<u>\$ 3,492,914</u>	<u>\$ 323,204</u>	<u>\$ 3,169,710</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
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**NOTE 4 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

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 1200 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 occupation employees 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.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

General Information about the Pension Plan (Continued)

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including Teachers, 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 District's fiscal year of July 1, 2023 through June 30, 2024, the WRS recognized \$201,286 in contributions from the employer.

Contribution rates for the fiscal year ending June 30, 2024 were:

	Employee	Employer
General	6.90 %	6.90 %
Teachers	6.90	6.90

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

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

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

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

At June 30, 2024, the District reported a liability of \$208,578 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.01402866%, which was an increase of 0.00018736% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$142,971.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 840,988	\$ 1,113,894
Changes of Assumptions	90,913	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	726,864	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	721	6,377
District Contributions Subsequent to the Measurement Date	101,048	-
Total	<u>\$ 1,760,534</u>	<u>\$ 1,120,271</u>

\$101,048 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ 109,544
2026	114,746
2027	455,105
2028	(140,180)

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

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

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018- December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*:	1.7%

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

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

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.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

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

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:

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

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

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

The investment policy used for the Core Fund 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%.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

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

*Discount Rate.* A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (Source: Fixed income municipal bonds with 20-years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District’s Proportionate Share of the Net Pension Liability (Asset)	\$ 2,016,016	\$ 208,578	\$ (1,056,161)

*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>.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan**

General Information about the Other Postemployment Benefits Plan

*Plan Description.* The LRLIF is a multiple-employer, cost sharing 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 postemployment life insurance benefits for all eligible members.

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-up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

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

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-Retirement Coverage	40% of Employee Contribution
25% Post-Retirement Coverage	20% of Employee Contribution

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

General Information about the Other Postemployment Benefits Plan (Continued)

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

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

During the reporting period, the LRLIF recognized \$866 in contributions from the employer.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2024, the District reported a liability of \$195,726 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 and 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 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 0.04254300%, which was an increase of 0.00347100% from its proportion measured as of December 31, 2022.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$15,824. 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	\$ -	\$ 17,322
Changes of Assumptions	61,224	77,072
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	2,644	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	30,507	20,572
District Contributions Subsequent to the Measurement Date	483	-
Total	\$ 94,858	\$ 114,966

\$483 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	OPEB Expense Amount
2025	\$ (1,792)
2026	(200)
2027	(5,481)
2028	(10,798)
2029	(6,742)
Thereafter	4,422

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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

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

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

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

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40 %	2.32 %
U.S. Mortgages	Bloomberg US MBS	60	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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%, 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%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease (2.32%)	Current Discount Rate (3.32%)	1% Increase (4.32%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 262,985	\$ 195,726	\$ 144,385

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**C. Other Postemployment Benefit Plan (OPEB) – Single Employer Plan**

General Information about the OPEB Plan

*Single-Employer Plan Description.* The School District of Solon Springs OPEB Plan is a single-employer defined benefit plan. The District's School Board has authority for program administration and oversight. Upon retirement, certain classifications of employees with a minimum number of years of service to the District will have unused accumulated sick leave converted to an amount which may be used towards continued coverage in the District's medical plan or an outside medical plan, until exhaustion of the converted amount. The District does not accumulate any assets in a trust to fund the plan.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (OPEB) – Single Employer Plan (Continued)**

General Information about the OPEB Plan (Continued)

*Employees Covered by Benefit Terms.* At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments		6
Active plan members		34
Total		40

Total OPEB Liability

The District’s total OPEB liability of \$139,517 was measured as of June 30, 2024.

*Actuarial Assumptions.* The total OPEB liability in the June 30, 2023 actuarial valuation rolled forward to June 30, 2024 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal (Level Percent of Salary)
Salary Increases:	3.0% Including Inflation
Discount Rate:	4.21%
Healthcare Cost Trend Rates:	7.0% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Mortality:	Wisconsin 2020 Mortality Table

The discount rate was based on the Bond Buyer Go 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

The actuarial assumptions used were based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (OPEB) – Single Employer Plan (Continued)**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 157,286
Changes for the Year:	
Service Cost	12,165
Interest on Total OPEB Liability	6,489
Differences Between Expected and Actual Experience	(20,510)
Changes of Assumptions or Other Input	5,464
Benefit Payments	(21,377)
Net Changes	(17,769)
Balance at June 30, 2023	\$ 139,517

There were no changes in benefit terms or assumptions during the reporting period.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	\$ 147,416	\$ 139,517	\$ 132,065

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB Liability	\$ 130,591	\$ 139,517	\$ 149,873

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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (OPEB) – Single Employer Plan (Continued)**

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$26,131. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 55,548	\$ 22,865
Changes of Assumptions	15,683	28,966
Total	\$ 71,231	\$ 51,831

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

Year Ended June 30,	OPEB Expense Amount
2025	\$ 7,477
2026	7,475
2027	7,326
2028	7,323
2029	(1,988)
Thereafter	(8,213)

Total OPEB expense for the aggregate of all defined benefit OPEB plans for the year ended June 30, 2024, was \$41,955.

**D. Compensated Absences**

School District of Solon Springs employees meeting eligibility requirements will be compensated for their accumulated vacation and sick leave as negotiated and approved in their individual contracts. The District's estimated liability for this leave totaled \$884,447 at June 30, 2024.

**E. Health Insurance Program**

Effective February 1, 1988 the District entered into the Northern Wisconsin Schools Employee Benefit Plan and Trust medical and dental self-insurance program (hereinafter "Trust"). National Benefit Consultants, Inc. acts as the third-party administrator for the Trust. The Northern Wisconsin Schools Association Board of Trustees annually shall establish such benefit structure as it deems necessary for the smooth operation of the Trust and shall establish a medical self-insurance plan.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**E. Health Insurance Program (Continued)**

At a minimum, the board of trustees shall establish an individual stop/loss and an aggregate stop/loss for all the options which shall be averaged on a per participant basis on a monthly basis to arrive at the aggregate attachment point. All medical expenses covered under this health care benefit are paid for by Northern School District Trust.

The board of trustees will annually, on recommendation of the third-party administrator, determine the basic premium levels and may at any time during that year or thereafter establish any charges annually so as to balance the individual employer units account up to 10% of that employer units calculated aggregate attachment point plus cost of administration, stop/loss, legal and other operational costs.

The purchase of stop/loss shall be on an incurred basis and for 2023-2024 shall be at 125% of anticipated claims and at \$175,000 specific (per individual). The Trust may come back to the employer units for any additional costs should claims, administrative and other costs be higher than anticipated. Districts shall share in any specific (per individual) stop/losses in proportion to their aggregate responsibilities for each specific stop/loss in excess of \$50,000. Settled claims have not exceeded coverage in any of the last three years.

**F. Limitation on School District Revenues**

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

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

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

**G. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the last three years.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 2,332,016	\$ 2,332,016	\$ 2,414,316	\$ 82,300
Other Local Sources	219,738	219,738	292,303	72,565
Interdistrict Sources	667,612	667,612	683,013	15,401
Intermediate Sources	2,646	2,646	2,590	(56)
State Sources	2,473,798	2,473,798	2,431,548	(42,250)
Federal Sources	649,055	649,055	495,357	(153,698)
Other Revenues	10,500	10,500	14,263	3,763
Total Revenues	<u>6,355,365</u>	<u>6,355,365</u>	<u>6,333,390</u>	<u>(21,975)</u>
<b>EXPENDITURES</b>				
Instruction:				
Undifferentiated Curriculum	1,477,338	1,477,338	1,407,851	69,487
Regular Curriculum	775,928	775,928	754,456	21,472
Vocational Curriculum	99,965	99,965	100,159	(194)
Special Curriculum	546,965	546,965	516,437	30,528
Physical Curriculum	142,002	142,002	141,607	395
Co-Curricular Activities	118,888	118,888	109,400	9,488
Other Special Needs	29,726	29,726	22,664	7,062
Total Instruction	<u>3,190,812</u>	<u>3,190,812</u>	<u>3,052,574</u>	<u>138,238</u>
Support Services:				
Pupil Services	454,179	454,179	373,464	80,715
Instructional Staff Services	333,753	333,753	333,102	651
General Administration	321,183	321,183	313,349	7,834
School Building Administration	231,620	231,620	212,809	18,811
Business Services	132,428	132,428	128,684	3,744
Operation and Maintenance of Plant	497,118	497,118	408,862	88,256
Pupil Transportation Services	267,472	267,472	241,976	25,496
Central Services	49,942	49,942	91,790	(41,848)
Insurance and Judgments	66,336	66,336	68,936	(2,600)
Debt Services	9,047	9,047	19,487	(10,440)
Other Support Services	81,133	81,133	86,145	(5,012)
Total Support Services	<u>2,444,211</u>	<u>2,444,211</u>	<u>2,278,604</u>	<u>165,607</u>
Nonprogram:				
Instructional Services	629,104	629,104	642,436	(13,332)
Other Nonprogram	6,000	6,000	6,103	(103)
Total Nonprogram	<u>635,104</u>	<u>635,104</u>	<u>648,539</u>	<u>(13,435)</u>
Total Expenditures	<u>6,270,127</u>	<u>6,270,127</u>	<u>5,979,717</u>	<u>290,410</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	85,238	85,238	353,673	268,435
<b>OTHER FINANCING SOURCES (USES)</b>				
Subscription Proceeds	-	-	60,729	60,729
Transfers Out	(26,958)	(26,958)	-	26,958
Total Other Financing Sources (Uses)	<u>(26,958)</u>	<u>(26,958)</u>	<u>60,729</u>	<u>87,687</u>
<b>NET CHANGE IN FUND BALANCE</b>	58,280	58,280	414,402	356,122
Fund Balance - Beginning of Year	<u>2,780,537</u>	<u>2,780,537</u>	<u>2,780,537</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,838,817</u>	<u>\$ 2,838,817</u>	<u>\$ 3,194,939</u>	<u>\$ 356,122</u>

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF  
 WISCONSIN RETIREMENT SYSTEM NET PENSION LIABILITY (ASSET)  
 LAST TEN FISCAL YEARS**

Plan Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2023	0.01402866%	\$ 208,578	\$ 2,767,341	7.54%	98.85%
12/31/2022	0.01384130%	733,271	2,568,198	28.55%	95.72%
12/31/2021	0.01356199%	(1,093,121)	2,356,392	46.39%	106.02%
12/31/2020	0.01319759%	(823,943)	2,285,883	36.04%	105.26%
12/31/2019	0.01293970%	(417,235)	2,132,356	19.57%	102.96%
12/31/2018	0.01283759%	456,721	1,926,250	23.71%	96.45%
12/31/2017	0.01286312%	(381,921)	1,924,493	19.85%	102.93%
12/31/2016	0.01292752%	106,554	1,884,430	5.65%	99.12%
12/31/2015	0.01318953%	214,327	1,788,974	11.98%	98.20%
12/31/2014	0.01380735%	(339,146)	1,840,839	18.42%	102.74%

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 201,286	\$ (201,286)	\$ -	\$ 2,935,501	6.86%
6/30/2023	178,202	(178,202)	-	2,656,054	6.71%
6/30/2022	168,607	(168,607)	-	2,497,878	6.75%
6/30/2021	151,787	(151,787)	-	2,248,701	6.75%
6/30/2020	147,063	(147,063)	-	2,211,522	6.65%
6/30/2019	132,553	(132,553)	-	2,001,350	6.62%
6/30/2018	127,625	(127,625)	-	1,890,809	6.75%
6/30/2017	130,085	(130,085)	-	1,941,183	6.70%
6/30/2016	122,671	(122,671)	-	1,831,251	6.70%
6/30/2015	122,480	(122,480)	-	1,774,985	6.90%

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

*Changes of Assumptions.* Based on a three-year experience study conducted in 2021 covering January 1, 2018 through

December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

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

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

*See accompanying Notes to Required Supplementary Information.*

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
 WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN  
 LAST TEN MEASUREMENT PERIODS  
 (SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>OPEB Fiscal Year End Date (Measurement Date)</u>	<u>District's Proportion of the Net OPEB Liability (Asset)</u>	<u>District's Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/2023	0.04254300%	\$ 195,726	\$ 2,273,000	8.61 %	33.90 %
12/31/2022	0.03907200%	148,858	2,061,000	7.22 %	38.81 %
12/31/2021	0.03465600%	204,830	1,934,000	10.59 %	29.57 %
12/31/2020	0.04087900%	224,864	1,821,000	12.35 %	31.36 %
12/31/2019	0.04145500%	176,523	1,700,000	10.38 %	37.58 %
12/31/2018	0.04814200%	124,223	1,662,000	7.47 %	48.69 %
12/31/2017	0.04822800%	145,098	2,028,125	7.15 %	44.81 %

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO  
 WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN  
 LAST TEN FISCAL YEARS  
 (SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

District's Fiscal Year End Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 866	\$ (866)	\$ -	\$ 2,273,000	0.04 %
6/30/2023	905	(905)	-	2,061,000	0.04 %
6/30/2022	763	(763)	-	2,753,617	0.03 %
6/30/2021	687	(687)	-	1,777,827	0.04 %
6/30/2020	1,030	(1,030)	-	1,700,000	0.06 %
6/30/2019	927	(927)	-	1,662,000	0.06 %
6/30/2018	963	(963)	-	2,028,125	0.05 %

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

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF CHANGE IN DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
 LAST TEN FISCAL YEARS  
 (SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 4,428	\$ 4,428	\$ 4,606	\$ 11,106	\$ 11,356	\$ 12,957	\$ 12,165
Interest on Total OPEB Liability	3,156	3,059	2,820	3,602	3,533	5,767	6,489
Differences Between Expected and Actual Experience	-	-	60,273	-	41,084	(5,508)	(20,510)
Changes of Assumptions or Other Input	-	1,206	23,550	-	(33,553)	(6,848)	5,464
Benefit Payments	(11,239)	(9,153)	(10,394)	(19,596)	(16,202)	(14,730)	(21,377)
Net Change in Total OPEB Liability	(3,655)	(460)	80,855	(4,888)	6,218	(8,362)	(17,769)
Total OPEB Liability - Beginning	87,578	83,923	83,463	164,318	159,430	165,648	157,286
Total OPEB Liability - Ending	<u>\$ 83,923</u>	<u>\$ 83,463</u>	<u>\$ 164,318</u>	<u>\$ 159,430</u>	<u>\$ 165,648</u>	<u>\$ 157,286</u>	<u>\$ 139,517</u>
Covered-Employee Payroll	\$ 1,182,357	\$ 1,182,357	\$ 2,150,411	\$ 2,150,411	\$ 2,426,040	\$ 2,426,040	\$ 2,771,648
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.10%	7.06%	7.64%	7.41%	6.83%	6.48%	5.03%

*Changes of Benefit Terms.* There were no recent changes in benefit terms.

*Changes of Assumptions.*

The assumption changed as follows:

- Fiscal year 2024 discount rate changed to 4.21% from 4.25% in the previous year.
- Fiscal year 2023 discount rate changed to 4.25% from 3.50% in the previous year.
- Fiscal year 2022 discount rate changed to 3.50% from 2.25% in the previous year.

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**BUDGETARY INFORMATION**

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

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

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

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

**SUPPLEMENTARY AND OTHER INFORMATION**

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024**

	Gift Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 261,062	\$ 13,998	\$ 16,178	\$ 291,238
Accounts Receivable	-	12,222	7,365	19,587
Due from Other Governments	-	6,773	2,056	8,829
Prepaid Expenditures	-	-	1,500	1,500
	<u>\$ 261,062</u>	<u>\$ 32,993</u>	<u>\$ 27,099</u>	<u>\$ 321,154</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ -	1,049	\$ 4,667	\$ 5,716
Accrued Salaries and Wages	-	10,307	1,210	11,517
Payroll Taxes and Withholdings	-	5,946	-	5,946
Total Liabilities	<u>-</u>	<u>17,302</u>	<u>5,877</u>	<u>23,179</u>
Fund Balances:				
Restricted	<u>261,062</u>	<u>15,691</u>	<u>21,222</u>	<u>297,975</u>
Total Liabilities and Fund Balances	<u>\$ 261,062</u>	<u>\$ 32,993</u>	<u>\$ 27,099</u>	<u>\$ 321,154</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024**

	Gift Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ -	\$ 125,000	\$ 125,000
Other Local Sources	97,621	67,854	228,491	393,966
State Sources	-	2,724	-	2,724
Federal Sources	-	153,269	38,811	192,080
Total Revenues	<u>97,621</u>	<u>223,847</u>	<u>392,302</u>	<u>713,770</u>
<b>EXPENDITURES</b>				
Physical Curriculum	394	-	-	394
Co-Curricular Activities	44,401	-	-	44,401
Pupil Services	9,419	-	-	9,419
Operation and Maintenance	-	-	41,965	41,965
Pupil Transportation Services	-	-	8,770	8,770
Food Service	-	239,871	-	239,871
Community Services	6,450	-	394,534	400,984
Debt Services	-	-	15,500	15,500
Total Expenditures	<u>60,664</u>	<u>239,871</u>	<u>460,769</u>	<u>761,304</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	36,957	(16,024)	(68,467)	(47,534)
<b>OTHER FINANCING SOURCES:</b>				
Right to Use Proceeds	-	-	33,934	33,934
<b>NET CHANGE IN FUND BALANCES</b>	36,957	(16,024)	(34,533)	(13,600)
Fund Balances - Beginning of Year	<u>224,105</u>	<u>31,715</u>	<u>55,755</u>	<u>311,575</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 261,062</u>	<u>\$ 15,691</u>	<u>\$ 21,222</u>	<u>\$ 297,975</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 COMBINING BUDGETARY COMPARISON SCHEDULE  
 FUND 10 AND FUND 27  
 YEAR ENDED JUNE 30, 2024**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special	Elimination	Combined Original	Fund 10 General	Fund 27 Special	Elimination	Combined Final	Fund 10 General	Fund 27 Special	Elimination	Combined Actual
	Fund	Education Fund			Fund	Education Fund			Fund	Education Fund		
<b>REVENUES</b>												
Local Sources:												
Property Taxes	\$ 2,332,016	\$ -	\$ -	\$ 2,332,016	\$ 2,332,016	\$ -	\$ -	\$ 2,332,016	\$ 2,414,316	\$ -	\$ -	\$ 2,414,316
Other Local Sources	219,738	-	-	219,738	219,738	-	-	219,738	292,303	-	-	292,303
Interdistrict Sources	667,612	-	-	667,612	667,612	-	-	667,612	683,013	-	-	683,013
Intermediate Sources	2,546	100	-	2,646	2,546	100	-	2,646	2,546	44	-	2,590
State Sources	2,271,663	202,135	-	2,473,798	2,271,663	202,135	-	2,473,798	2,225,088	206,460	-	2,431,548
Federal Sources	537,859	111,196	-	649,055	537,859	111,196	-	649,055	394,802	100,555	-	495,357
Other Revenues	10,500	-	-	10,500	10,500	-	-	10,500	14,263	-	-	14,263
Total Revenues	6,041,934	313,431	-	6,355,365	6,041,934	313,431	-	6,355,365	6,026,331	307,059	-	6,333,390
<b>EXPENDITURES</b>												
Instruction:												
Undifferentiated Curriculum	1,477,338	-	-	1,477,338	1,477,338	-	-	1,477,338	1,407,851	-	-	1,407,851
Regular Curriculum	775,928	-	-	775,928	775,928	-	-	775,928	754,456	-	-	754,456
Vocational Curriculum	99,965	-	-	99,965	99,965	-	-	99,965	100,159	-	-	100,159
Special Curriculum	-	546,965	-	546,965	-	546,965	-	546,965	-	516,437	-	516,437
Physical Curriculum	142,002	-	-	142,002	142,002	-	-	142,002	141,607	-	-	141,607
Co-Curricular Activities	118,888	-	-	118,888	118,888	-	-	118,888	109,400	-	-	109,400
Other Special Needs	29,726	-	-	29,726	29,726	-	-	29,726	22,664	-	-	22,664
Total Instruction	2,643,847	546,965	-	3,190,812	2,643,847	546,965	-	3,190,812	2,536,137	516,437	-	3,052,574
Support Services:												
Pupil Services	284,325	169,854	-	454,179	284,325	169,854	-	454,179	204,353	169,111	-	373,464
Instructional Staff Services	292,037	41,716	-	333,753	292,037	41,716	-	333,753	295,154	37,948	-	333,102
General Administration	321,183	-	-	321,183	321,183	-	-	321,183	313,349	-	-	313,349
School Building Administration	231,620	-	-	231,620	231,620	-	-	231,620	212,809	-	-	212,809
Business Services	122,124	10,304	-	132,428	122,124	10,304	-	132,428	122,250	6,434	-	128,684
Operation and Maintenance of Plant	497,118	-	-	497,118	497,118	-	-	497,118	408,862	-	-	408,862
Pupil Transportation Services	267,472	-	-	267,472	267,472	-	-	267,472	241,976	-	-	241,976
Central Services	49,942	-	-	49,942	49,942	-	-	49,942	91,790	-	-	91,790
Insurance and Judgments	66,336	-	-	66,336	66,336	-	-	66,336	68,936	-	-	68,936
Debt Services	9,047	-	-	9,047	9,047	-	-	9,047	19,487	-	-	19,487
Other Support Services	81,133	-	-	81,133	81,133	-	-	81,133	86,145	-	-	86,145
Total Support Services	2,222,337	221,874	-	2,444,211	2,222,337	221,874	-	2,444,211	2,065,111	213,493	-	2,278,604
Nonprogram:												
Instructional Services	629,104	-	-	629,104	629,104	-	-	629,104	642,436	-	-	642,436
Other Nonprogram	5,000	1,000	-	6,000	5,000	1,000	-	6,000	6,103	-	-	6,103
Total Nonprogram	634,104	1,000	-	635,104	634,104	1,000	-	635,104	648,539	-	-	648,539
Total Expenditures	5,500,288	769,839	-	6,270,127	5,500,288	769,839	-	6,270,127	5,249,787	729,930	-	5,979,717
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	541,646	(456,408)	-	85,238	541,646	(456,408)	-	85,238	776,544	(422,871)	-	353,673
<b>OTHER FINANCING SOURCES (USES)</b>												
Subscription Proceeds	-	-	-	-	-	-	-	-	60,729	-	-	60,729
Transfers Out	(483,366)	-	456,408	(26,958)	(483,366)	-	456,408	(26,958)	(422,871)	-	422,871	-
Transfers In	-	456,408	(456,408)	-	-	456,408	(456,408)	-	-	422,871	(422,871)	-
Total Other Financing Sources (Uses)	(483,366)	456,408	-	(26,958)	(483,366)	456,408	-	(26,958)	(362,142)	422,871	-	60,729
<b>NET CHANGE IN FUND BALANCE</b>	58,280	-	-	58,280	58,280	-	-	58,280	414,402	-	-	414,402
Fund Balance - Beginning of Year	2,780,537	-	-	2,780,537	2,780,537	-	-	2,780,537	2,780,537	-	-	2,780,537
<b>FUND BALANCE - END OF YEAR</b>	\$ 2,838,817	\$ -	\$ -	\$ 2,838,817	\$ 2,838,817	\$ -	\$ -	\$ 2,838,817	\$ 3,194,939	\$ -	\$ -	\$ 3,194,939

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 FUND 10  
 YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 2,332,016	\$ 2,332,016	\$ 2,414,316	\$ 82,300
Other Local Sources	219,738	219,738	292,303	72,565
Interdistrict Sources	667,612	667,612	683,013	15,401
Intermediate Sources	2,546	2,546	2,546	-
State Sources	2,271,663	2,271,663	2,225,088	(46,575)
Federal Sources	537,859	537,859	394,802	(143,057)
Other Sources	10,500	10,500	14,263	3,763
Total Revenues	<u>6,041,934</u>	<u>6,041,934</u>	<u>6,026,331</u>	<u>(15,603)</u>
<b>EXPENDITURES</b>				
Instruction:				
Undifferentiated Curriculum	1,477,338	1,477,338	1,407,851	69,487
Regular Curriculum	775,928	775,928	754,456	21,472
Vocational Curriculum	99,965	99,965	100,159	(194)
Physical Curriculum	142,002	142,002	141,607	395
Co-Curricular Activities	118,888	118,888	109,400	9,488
Other Special Needs	29,726	29,726	22,664	7,062
Total Instruction	<u>2,643,847</u>	<u>2,643,847</u>	<u>2,536,137</u>	<u>107,710</u>
Support Services:				
Pupil Services	284,325	284,325	204,353	79,972
Instructional Staff Services	292,037	292,037	295,154	(3,117)
General Administration	321,183	321,183	313,349	7,834
School Building Administration	231,620	231,620	212,809	18,811
Business Services	122,124	122,124	122,250	(126)
Operation and Maintenance of Plant	497,118	497,118	408,862	88,256
Pupil Transportation Services	267,472	267,472	241,976	25,496
Central Services	49,942	49,942	91,790	(41,848)
Insurance and Judgments	66,336	66,336	68,936	(2,600)
Debt Services	9,047	9,047	19,487	(10,440)
Other Support Services	81,133	81,133	86,145	(5,012)
Total Support Services	<u>2,222,337</u>	<u>2,222,337</u>	<u>2,065,111</u>	<u>157,226</u>
Nonprogram:				
Instructional Services	629,104	629,104	642,436	(13,332)
Other Nonprogram	5,000	5,000	6,103	(1,103)
Total Nonprogram	<u>634,104</u>	<u>634,104</u>	<u>648,539</u>	<u>(14,435)</u>
Total Expenditures	<u>5,500,288</u>	<u>5,500,288</u>	<u>5,249,787</u>	<u>250,501</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	541,646	541,646	776,544	234,898
<b>OTHER FINANCING SOURCES (USES)</b>				
Subscription Proceeds	-	-	60,729	60,729
Transfers Out	(483,366)	(483,366)	(422,871)	60,495
Total Other Financing Sources (Uses)	<u>(483,366)</u>	<u>(483,366)</u>	<u>(362,142)</u>	<u>121,224</u>
<b>NET CHANGE IN FUND BALANCE</b>	58,280	58,280	414,402	356,122
Fund Balance - Beginning of Year	<u>2,780,537</u>	<u>2,780,537</u>	<u>2,780,537</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,838,817</u>	<u>\$ 2,838,817</u>	<u>\$ 3,194,939</u>	<u>\$ 356,122</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 FUND 27  
 YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intermediate Sources	\$ 100	\$ 100	\$ 44	\$ (56)
State Sources	202,135	202,135	206,460	4,325
Federal Sources	111,196	111,196	100,555	(10,641)
Total Revenues	<u>313,431</u>	<u>313,431</u>	<u>307,059</u>	<u>(6,372)</u>
<b>EXPENDITURES</b>				
Instruction:				
Special Education Curriculum	546,965	546,965	516,437	30,528
Support Services:				
Pupil Services	169,854	169,854	169,111	743
Instructional Staff Services	41,716	41,716	37,948	3,768
Business Services	10,304	10,304	6,434	3,870
Total Support Services	<u>221,874</u>	<u>221,874</u>	<u>213,493</u>	<u>8,381</u>
Nonprogram:				
Other Nonprogram	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>769,839</u>	<u>769,839</u>	<u>729,930</u>	<u>39,909</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(456,408)	(456,408)	(422,871)	33,537
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>456,408</u>	<u>456,408</u>	<u>422,871</u>	<u>(33,537)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
 YEAR ENDED JUNE 30, 2024**

**SECTION I: AUTHORIZER INFORMATION**

Authorizing Entity: Solon Springs School District  
 Authorizer Address: 8993 E Baldwin Ave, Solon Springs, WI 54873  
 Authorizer Contact Person: Lee Ann Garay  
 Contact Person Title: Finance Manager  
 Contact Person Phone: 715-378-2263 Ext 204  
 Contact Person Email: [lgaray@solonk12.net](mailto:lgaray@solonk12.net)

**SECTION II: CHARTER SCHOOL INFORMATION**

**Charter Schools Currently Under Contract:**

<b>School Name</b>	<b>Contract Start Date</b>	<b>Contract Expiration Date</b>	<b>Grades Served</b>
Eagles' Wings Public Montessori	7/1/2018	6/30/2028	K4-6
Eagles' Wings Virtual Charter	7/1/2019	6/30/2029	K4-12
Eagles Academy	7/1/2021	6/30/2026	6-12

**Charter Schools Whose Contract was Nonrenewed or Revoked:**

None

**Charter Schools Currently Under Contract that have not Opened:**

None

**Charter Schools that Closed:**

None

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 CHARTER SCHOOL AUTHORIZER ANNUAL REPORT (CONTINUED)  
 YEAR ENDED JUNE 30, 2024**

**SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS**

Expenses for the Eagles Wings Virtual and Eagles Wings Public Montessori are paid out of the general budget, other than the grant items purchased using the charter grant. The teachers and aide pay, benefits and classroom supply budgets are all calculated the same as for the traditional school.

**SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS – N/A**

**SECTION VI: AUTHORIZER OPERATING COSTS**

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ -
EMPLOYEE BENEFITS	200	-
PURCHASED SERVICES	300	-
NON-CAPITAL OBJECTS	400	-
CAPITAL OBJECTS	500	-
INSURANCE & JUDGEMENTS	700	-
OTHER	900	-
<b>TOTAL</b>		<b>\$ -</b>

**SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS**

SERVICES PROVIDED	FUNCTION CODE	COST
REGULAR CURRICULUM	120000	\$ 828,138
SPECIAL EDUCATION	150000	-
HEALTH SERVICES	214000	-
PSYCHOLOGICAL SERVICES	215000	-
CURRICULUM DEVELOPMENT	221200	-
INSTRUCTIONAL STAFF TRAINING	221300	-
OTHER INSTRUCTION STAFF SUPERVISION	223900	-
GENERAL ADMINISTRATION	230000	-
BUILDING ADMINISTRATION	240000	381
BUSINESS SERVICES	252000	-
GENERAL OPERATIONS	253000	-
PUPIL TRANSPORTATION	256000	943
TECHNOLOGY	266000	-
OTHER SERVICES	290000	-
INSTRUCTION TUITION	431000	72,396
<b>TOTAL</b>		<b>\$ 901,858</b>

## **OTHER SCHEDULES**

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**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2023	Expenditures	Grant Reimbursements	Accrued Receivable (Deferred Revenue) June 30, 2024
<u>U.S. Department of Agriculture</u>							
Child Nutrition Cluster:							
School Breakfast Program	10.553	WI DPI	2024-165397-DPI-SB-SEVERE-546	\$ 484	\$ 35,419	\$ 35,457	\$ 446
National School Lunch Program - Non-cash Commodities	10.555	WI DPI	Not Available	-	13,739	13,739	-
National School Lunch Program	10.555	WI DPI	2024-165397-DPI-NSL-547	1,768	93,426	95,161	33
National School Lunch Snack Program	10.555	WI DPI	2023-165397-DPI-SK_NSL-561	-	5,441	5,441	-
National Summer Foodservice Program	10.559	WI DPI		-	5,245	-	5,245
Total U.S. Department of Agriculture				<u>2,252</u>	<u>153,270</u>	<u>149,798</u>	<u>5,724</u>
<u>Federal Communications Commission</u>							
COVID-19 - Emergency Connectivity Fund Program	32.009	Direct	N/A	-	6,637	6,637	-
<u>U.S. Department of Education</u>							
Wisconsin Department of Public Instruction:							
ESEA Title I-A Basic Grant	84.010	WI DPI	2024-165397-DPI-TI-A-141	13,150	78,503	66,005	25,648
Special Education Cluster:							
Special Education Grants to States	84.027	WI DPI	2024-165397-DPI-FLOW-341	19,105	95,134	92,353	21,886
Special Education Preschool Grants	84.173	WI DPI	2024-165397-DPI-PRESCH-347	-	3,229	1,570	1,659
Total Special Education Cluster				<u>19,105</u>	<u>98,363</u>	<u>93,923</u>	<u>23,545</u>
21st CCLCs	84.287	Direct	N/A	-	37,343	-	37,343
Rural Education	84.358	Direct	N/A	2,631	25,611	16,494	11,748
Supporting Effective Instruction State Grants	84.367	WI DPI	2024-165397-DPI-TIIA-365	-	12,863	12,863	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2024-165397-DPI-TIVA-381	3,264	14,812	9,452	8,624
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2023-165397-DPI-ESSERFII-163	69,177	6,767	75,944	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	WI DPI	2023-165397-DPI-ESSERFIII-165	5,535	181,021	138,718	47,838
COVID-19 - ARPA Homeless Children and Youth	84.425W	WI DPI	2023-165397-DPI-ARPHCYII-173	37	54	37	54
Total 84.425				<u>74,749</u>	<u>187,842</u>	<u>214,699</u>	<u>47,892</u>
Total Department of Education				<u>112,899</u>	<u>455,337</u>	<u>413,436</u>	<u>154,800</u>
<u>U.S. Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	93.778	WI DHS	44230700	1,495	34,258	35,233	520
Total Department of Health and Human Services				<u>1,495</u>	<u>34,258</u>	<u>35,233</u>	<u>520</u>
Total Expenditures of Federal Awards				<u>\$ 116,646</u>	<u>\$ 649,502</u>	<u>\$ 605,104</u>	<u>\$ 161,044</u>

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2024**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	State Grant Number	Accrued Receivable (Deferred Revenue) July 1, 2023	Expenditures	State Reimbursement	Accrued Receivable (Deferred Revenue) June 30, 2024
<u>Wisconsin Department of Public Instruction</u>						
Entitlement Programs:						
Major State Programs:						
General Equalization	255.201	165397-116	\$ -	\$ 1,733,814	\$ 1,733,814	\$ -
Per Pupil Aid	255.945	165397-113	-	238,924	238,924	-
Total Major Programs			-	1,972,738	1,972,738	-
Nonmajor State Programs:						
Special Education and School Age Parents:	255.101	165397-100				
Internal District Programs			-	206,460	206,460	-
Participant in Package Program at CESA No. 12			-	44	26	18
Total Special Education and School Age Parents			-	206,504	206,486	18
State School Lunch Aid	255.102	165397-107	-	1,435	1,435	-
Common School Fund	255.103	165397-104	-	23,716	23,716	-
Pupil Transportation	255.107	165397-102	-	13,665	13,665	-
Sparsity Aid	255.212	165397-162	-	131,997	131,997	-
School Based Mental Health	255.297	165397-177	-	10,594	10,626	(32)
Peer Review and Mentoring	255.427	CESA #12	-	4,100	4,100	-
School Breakfast Program	255.344	165397-108	-	1,290	1,290	-
Achievement Gap Reduction	255.504	165397-160	-	61,973	61,973	-
Educator Effective Eval Sys	255.940	165397-154	-	2,080	2,080	-
Total Wisconsin Department of Public Instruction			-	457,354	457,368	(14)
<u>Wisconsin Department of Justice</u>						
School Safety	455.206	N/A	-	987	987	-
Total Nonmajor Programs			-	458,341	458,355	(14)
Total State Financial Assistance			\$ -	\$ 2,431,079	\$ 2,431,093	\$ (14)

## **OTHER REPORTS**

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

Board of Education  
School District of Solon Springs  
Solon Springs, 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 School District of Solon Springs, Wisconsin (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

**The School District of Solon Springs’ Response to Findings**

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

**Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
November 21, 2024



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Education  
School District of Solon Springs  
Solon Springs, Wisconsin

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited the School District of Solon Springs, Wisconsin's (District) compliance with the types of compliance requirements identified as subject to audit in the *Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *Wisconsin Public School District Audit Manual*. Our responsibilities under those standards and the *Wisconsin Public School District Audit Manual* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's state programs.

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Wisconsin Public School District Audit Manual* we:

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 *Wisconsin Public School District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
November 21, 2024

**SCHOOL DISTRICT OF SOLON SPRINGS  
 SOLON SPRINGS, WISCONSIN  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2024**

***Section I – Summary of Auditors’ Results***

***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     x     yes            no
  - Significant deficiency(ies) identified?            yes     x     none reported
3. Noncompliance material to financial statements noted?            yes     x     no

***State Awards***

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

***Identification of Major State Programs***

**State ID Number(s)**

255.201  
255.945

**Name of State Program**

General Equalization Aid  
Per Pupil Aid

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

\$     250,000    

Auditee qualified as low-risk auditee?

           yes     x     no

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section I – Summary of Auditors’ Results (Continued)***

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***Other Issues***

1. Do the auditors’ report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee’s ability to continue as a going concern? No
  
2. Does the auditors’ report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:  
  
Department of Public Instruction No
  
3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal

  
Brock Geyen, CPA

5. Date of Report

November 21, 2024

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings***

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**2024-001 Limited Segregation of Duties**

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

**Condition:** The auditors noted during the audit that the available staff may preclude a proper separation of duties to assure adequate internal control.

**Criteria or Specific Requirement:** Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

**Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud that would not be detected or prevented by District staff.

**Cause:** The condition is due to limited staff available.

**Repeat Finding:** See 2023-001.

**Recommendation:** The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

**Views of Responsible Officials and Planned Corrective Actions:** The District continues to work to achieve segregation of duties whenever cost effective. The District Administrator is the official responsible for ensuring corrective action of the deficiency. The following are areas in which segregation of duties has been improved:

1. All invoices paid are approved by the board each month.
2. Secretaries collect money taken in for food service and posts it to individual accounts before total if given to principal.
3. Secretaries match all purchased goods to purchase orders when products are delivered.
4. Principal signs off on all activity checks that are written by student treasurers or activity supervisors.
5. Workers at any event that sells tickets are required to count the proceeds and sign off on a form totaling the money that was made.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings (Continued)***

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**FINDING: 2024-002 Material Audit Adjustments**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** The audit firm proposed and the District posted to its general ledger accounts journal entries for correcting certain misstatements.

**Criteria or Specific Requirement:** The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

**Effect:** The financial statements of the District may include inaccurate information not detected or prevented by District staff.

**Cause:** The District has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

**Repeat Finding:** None.

**Recommendation:** The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

**Views of Responsible Officials and Planned Corrective Action:** The District has put controls in place to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP. The District's Finance Manager is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF SOLON SPRINGS  
SOLON SPRINGS, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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

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None

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***Section IV – Findings and Questioned Costs – State General and Program Requirements***

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None



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