

OSHKOSH AREA SCHOOL DISTRICT

Annual Financial Report

June 30, 2021

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OSHKOSH AREA SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Education
Oshkosh Area School District
Oshkosh, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oshkosh Area School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Oshkosh Area School District as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 4 through 9 and 52 through 60 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oshkosh Area School District's basic financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, and combining schedule of internal general and special education funds – revenues, expenditures and changes in fund balances are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by *Wisconsin State Single Audit Guidelines* and the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction and is also not a required part of the basic financial statements.

The combining balance sheet – nonmajor funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and changes in fund balances, schedule of expenditures of federal awards and schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and changes in fund balances, schedule of expenditures of federal awards, and schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We performed no auditing procedures on the Schedule of Charter School Authorizer Services and Costs and accordingly, we express no opinion on it.

To the Board of Education
Oshkosh Area School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021, 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 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 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 Oshkosh Area School District's internal control over financial reporting and compliance.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
November 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis June 30, 2021

As management of the Oshkosh Area School District ("the District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

Financial Highlights

- The District's total net position increased by \$12.98 million.
- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$100.17 million, an increase of \$71.24 million in comparison with the prior year. Approximately 76.70% of this total amount, \$76.83 million is restricted, committed, or assigned for specific purposes. The balance of \$22.72 million is unassigned fund balance and in compliance with the District fund balance policy.
- As of June 30, 2021, unassigned fund balance for the general fund was \$22.72 million, or approximately 16.62% of total general fund revenues. These resources are available to be expended at the discretion of the District.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows and inflows of resources, and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., health care benefits during retirement.)

Both of the district- wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues. The governmental activities include the District's basic services, such as regular and special education and various support services.

The district-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near - term financing requirements.

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Fiduciary funds. The District uses the fiduciary fund to account for the employee benefit trust fund.

The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18-51 of this report.

Required Supplementary Information. Required supplementary information for the pension benefits and the other post-employment benefits plan and the budgetary basis statements of the general fund and special education special revenue fund can be found on pages 52-60.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information. Combining and fund statements and schedules can be found on pages 61-65.

District-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1.7 million at the close of 2021. Capital improvements (land, land improvements, buildings, and equipment) are recorded at acquisition costs as per GASB 34 requirements.

Oshkosh Area School District's Net Position		
(in thousands of dollars)		
	Governmental Activities	
	2021	2020
Current and other assets	\$141,143	\$58,423
Capital assets	94,649	97,366
Total Assets	235,792	155,789
Deferred outflow s of resources	44,475	34,083
Long-term liabilities outstanding	175,497	137,924
Other liabilities	16,413	19,924
Total Liabilities	191,910	157,848
Deferred inflow s of resources	90,078	46,724
Net Position		
Net investment in capital assets	40,509	45,418
Restricted	21,782	22,326
Unrestricted	(64,012)	(82,444)
Total Net Position	(\$1,721)	(\$14,700)

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding.

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although, the District's investment in its capital assets is reported net of related debt. it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Change in net position. Governmental activities increased the District's net position by \$12.98 million. Key elements of this increase are as follows:

Oshkosh Area School District's Change in Net Position		
(in thousands of dollars)		
	Governmental Activities	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$3,732	\$3,883
Operating Grants and Contributions	22,425	17,785
General Revenues		
Property Taxes	51,996	51,412
Other Taxes	-	54
Grants and Contributions not Restricted to Specific Programs	70,934	67,677
Other	713	511
Total Revenues	149,800	141,322
Expenses		
Instruction	73,940	79,691
Support Services	44,543	47,780
Community Services	540	881
Interest on Long-Term Debt	2,850	1,924
Depreciation - Unallocated	6,562	6,239
Other	8,386	6,279
School Food Service Program	-	-
Total Expenses	136,821	142,794
Change in Net Position	12,979	(1,472)
Net Position - January 1	(14,700)	(14,772)
Cumulative Effect of Change in Accounting Principle	-	1,544
Net Position - December 31	\$ (1,721)	\$ (14,700)

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$100.2 million, an increase of \$71.24 million in comparison with the prior year. Approximately 76.70% of this amount is restricted. The fund balance resources have been *restricted* to indicate that they are not available for new spending because they are restricted by external requirements or by prior board action.

The general fund is the main operating fund of the District. At the end of the current year, unassigned fund balance of the general fund was \$22.72 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 16.62% of total general fund revenues.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2021 amounts to \$94.65 million. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, and construction in progress.

Oshkosh Area School District's Capital Assets (net of accumulated depreciation)		
	Governmental Activities	
	2021	2020
Land	\$ 1,528,346	\$ 1,528,346
Construction Work in Progress	1,846,920	36,026
Buildings	89,399,377	93,138,754
Machinery and Equipment	1,874,458	2,662,798
Total	\$ 94,649,101	\$ 97,365,924

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$113.4 million. The debt is backed by the full faith and credit of the District and is payable solely from government activities.

Oshkosh Area School District's Outstanding Debt General Obligation Debt		
	Governmental Activities	
	2021	2020
Bonds	\$ 113,345,000	\$ 50,105,000
Notes	-	194,636
Total	\$ 113,345,000	\$ 50,299,636

State statutes limit the amount of general obligation debt the District may issue to 10% of its total equalized valuation. The current debt limitation for the District is \$604.6 million. The District is using 18.74% of its limit.

The District's total debt increased by \$63 million during the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in our region compare favorably to national indices.
- District full time equivalent (FTE) enrollment is stable.
- In 2004-2005 the District created the Other Postemployment Benefits (OPEB) Trust Fund. The District intends to continue funding this long-term liability.

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kelly Handy, Controller, Administrative Offices, 215 S Eagle St, Oshkosh, Wisconsin 54902.

FINANCIAL STATEMENTS

OSHKOSH AREA SCHOOL DISTRICT

District-Wide Statement of Net Position

As of June 30, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 94,688,715
Receivables:	
Taxes	10,758,561
Accounts	4,493,053
Due from Other Governments	5,141,993
Inventory	133,086
Prepaid Expenses	482,871
Total Current Assets	<u>115,698,279</u>
Noncurrent Assets	
Net Pension Asset	25,444,749
Capital Assets	
Nondepreciable	3,375,266
Depreciable, net	91,273,835
Total Noncurrent Assets	<u>120,093,850</u>
TOTAL ASSETS	<u>235,792,129</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	39,774,025
Deferred Outflows Related to Other Post-Employment Benefits	4,700,881
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>44,474,906</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,852,113
Accrued and Other Current Liabilities	13,142,460
Accrued Interest Payable	888,278
Unearned Revenue	186,411
Deposits Payable	205,142
Dental Claims Payable	138,122
Current Portion of Long-Term Obligations	5,987,168
Total Current Liabilities	<u>22,399,694</u>
Noncurrent Liabilities	
Noncurrent Portion of Long-Term Obligations	111,889,720
Total Pension Liability	842,481
Other Postemployment Benefits Liability	56,777,721
Total Noncurrent Liabilities	<u>169,509,922</u>
TOTAL LIABILITIES	<u>191,909,616</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	55,967,888
Deferred Inflows Related to Other Post-Employment Benefits	34,109,917
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>90,077,805</u>
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	40,508,744
Restricted	21,782,443
Unrestricted (Deficit)	(64,011,573)
TOTAL NET DEFICIT	<u>\$ (1,720,386)</u>

See Accompanying Notes

OSHKOSH AREA SCHOOL DISTRICT

District-Wide Statement of Activities

For the Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 73,939,784	\$ 1,559,823	\$ 14,711,997	\$ (57,667,964)
Support Services	44,543,067	117,318	7,713,175	(36,712,574)
Community Services	540,069	193,997	-	(346,072)
Interest and Fiscal Charges	2,850,092	-	-	(2,850,092)
Depreciation - Unallocated	6,561,773	-	-	(6,561,773)
Non-Program Transactions	8,386,239	1,861,263	-	(6,524,976)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 136,821,024</u>	<u>\$ 3,732,401</u>	<u>\$ 22,425,172</u>	<u>(110,663,451)</u>
Property Taxes				\$ 51,995,698
State and Federal Aids not Restricted to Specific Functions				70,933,884
Interest and Investment Earnings				86,101
Sale of Capital Assets				102,725
Miscellaneous				524,222
Total General Revenues				<u>123,642,630</u>
CHANGE IN NET POSITION				12,979,179
NET DEFICIT - BEGINNING OF YEAR - AS RESTATED				<u>(14,699,565)</u>
NET DEFICIT - END OF YEAR				<u>\$ (1,720,386)</u>

OSHKOSH AREA SCHOOL DISTRICT

Balance Sheet
Governmental Funds
As of June 30, 2021

	General	Capital Projects	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 18,170,114	\$ 63,353,054	\$ 13,165,547	\$ 94,688,715
Receivables:				
Taxes	10,758,561	-	-	10,758,561
Accounts	4,445,158	-	47,895	4,493,053
Due from Other Governments	4,570,129	-	571,864	5,141,993
Inventory	3,200	-	129,886	133,086
Prepaid Expenses	482,871	-	-	482,871
TOTAL ASSETS	<u>\$ 38,430,033</u>	<u>\$ 63,353,054</u>	<u>\$ 13,915,192</u>	<u>\$ 115,698,279</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 1,690,974	\$ -	\$ 161,139	\$ 1,852,113
Accrued Liabilities				
Payroll, Payroll Taxes, Insurance	13,050,199	-	92,261	13,142,460
Self-Insurance Deposits Payable	205,142	-	-	205,142
Health Benefit Claims Payable	138,122	-	-	138,122
Unearned Revenue	-	-	186,411	186,411
Total Liabilities	<u>15,084,437</u>	<u>-</u>	<u>439,811</u>	<u>15,524,248</u>
Fund Balances				
Nonspendable:				
Prepaid Expenses and Inventory	486,071	-	129,886	615,957
Restricted				
Donor Specified Projects	-	-	1,956,955	1,956,955
Debt Service	-	-	4,390,534	4,390,534
Capital Projects	-	63,353,054	4,440,039	67,793,093
Community Services	-	-	1,780,941	1,780,941
Food Services	-	-	777,026	777,026
Unspent Common School Library	136,130	-	-	136,130
Unassigned	22,723,395	-	-	22,723,395
Total Fund Balances	<u>23,345,596</u>	<u>63,353,054</u>	<u>13,475,381</u>	<u>100,174,031</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 38,430,033</u>	<u>\$ 63,353,054</u>	<u>\$ 13,915,192</u>	<u>\$ 115,698,279</u>

OSHKOSH AREA SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position
As of June 30, 2021

Total Fund Balances - Governmental Funds	\$ 100,174,031
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Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

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

Governmental Capital Asset	176,462,456	
Governmental Accumulated Depreciation	<u>(81,813,355)</u>	94,649,101

Net pension asset is not usable in the current period therefore not reported in the fund financial statements.	25,444,749
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Some Deferred Outflows and Inflows of Resources Reflect Changes in Long-term Assets or Liabilities and are not Reported in the Funds.

Deferred Outflows of Resources Related to Pension - Cost-Sharing Plan	39,741,741	
Deferred Inflows of Resources Related to Pension - Cost-Sharing Plan	(55,861,264)	
Deferred Outflows of Resources Related to Pension - Single-Employer Plan	32,284	
Deferred Inflows of Resources Related to Pension - Single Employer Plan	(106,624)	
Deferred Outflows of Resources Related to OPEB - Cost-Sharing Plan	699,111	
Deferred Inflows of Resources Related to OPEB - Cost-Sharing Plan	(240,736)	
Deferred Outflows of Resources Related to OPEB - Single-Employer Plan	4,001,770	
Deferred Inflows of Resources Related to OPEB - Single-Employer Plan	<u>(33,869,181)</u>	(45,602,899)

Certain liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:

General Obligations	(113,345,000)	
Capital Leases	(262,595)	
Bond Premium	(3,885,816)	
Accrued Interest on General Obligation Debt	(888,278)	
Compensated Absences	(383,477)	
Supplemental Pension	(842,481)	
Other Post-Employment Benefits	<u>(56,777,721)</u>	(176,385,368)

Total Net Position - Governmental Activities	\$ <u>(1,720,386)</u>
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OSHKOSH AREA SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 44,243,500	\$ -	\$ 7,752,198	\$ 51,995,698
Other Local Sources	755,615	2,412	1,807,230	2,565,257
Interdistrict Sources	1,726,747	-	134,516	1,861,263
Intermediate Sources	73,089	-	-	73,089
State Sources	80,620,195	-	75,494	80,695,689
Federal Sources	8,796,721	-	3,185,539	11,982,260
Other Sources	524,220	-	2	524,222
Total Revenues	136,740,087	2,412	12,954,979	149,697,478
EXPENDITURES				
Instruction				
Regular Instruction	52,327,933	-	1,246,581	53,574,514
Vocational Instruction	2,816,352	-	-	2,816,352
Physical Instruction	3,209,779	-	-	3,209,779
Special Instruction	20,219,143	-	-	20,219,143
Other Instruction	1,505,166	-	59,333	1,564,499
Total Instruction	80,078,373	-	1,305,914	81,384,287
Support Services				
Pupil Services	7,669,350	-	46,160	7,715,510
Instructional Staff Services	7,083,956	-	294,534	7,378,490
General Administration Services	653,564	-	458,218	1,111,782
School Building Administration Services	6,278,441	-	-	6,278,441
Business Services	1,208,559	-	-	1,208,559
Operations and Maintenance	11,811,247	1,649,358	989,523	14,450,128
Pupil Transportation	3,006,157	-	3,186	3,009,343
Food Services	-	-	3,006,858	3,006,858
Central Services	664,383	-	406,565	1,070,948
Insurance	988,894	-	25	988,919
Community Services	-	-	618,483	618,483
Debt Service				
Principal	177,369	-	17,803,033	17,980,402
Interest and fiscal charges	233,564	-	2,778,441	3,012,005
Other Support Services	5,011,449	-	15,511	5,026,960
Total Support Services	44,786,933	1,649,358	26,420,537	72,856,828
Non-Program Transactions				
General Tuition Payments	4,983,170	-	-	4,983,170
Non-Program Payments	45,377	-	-	45,377
Voucher Payments	3,116,607	-	-	3,116,607
Adjustments and Refunds	238,740	-	-	238,740
Revenue Transits to Others	2,345	-	-	2,345
Total Non-Program Transactions	8,386,239	-	-	8,386,239
Total Expenditures	133,251,545	1,649,358	27,726,451	162,627,354
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,488,542	(1,646,946)	(14,771,472)	(12,929,876)
OTHER FINANCING SOURCES (USES)				
Sale of Land and Real Property	500	-	-	500
Sale of Equipment and Vehicle Sales	102,225	-	-	102,225
Other Financing Sources - Capital Lease	169,141	-	-	169,141
Proceeds from Long-Term Debt	-	65,000,000	15,830,000	80,830,000
Premium on Bonds	-	-	3,070,668	3,070,668
Transfer from Other Fund	-	-	35,350	35,350
Transfer to Other Fund	(35,350)	-	-	(35,350)
Total Other Financing Sources (Uses)	236,516	65,000,000	18,936,018	84,172,534
NET CHANGES IN FUND BALANCES	3,725,058	63,353,054	4,164,546	71,242,658
FUND BALANCES - BEGINNING OF YEAR - AS RESTATED	19,620,538	-	9,310,835	28,931,373
FUND BALANCES - END OF YEAR	\$ 23,345,596	\$ 63,353,054	\$ 13,475,381	\$ 100,174,031

See Accompanying Notes

OSHKOSH AREA SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the District-Wide Statement of Activities For the Year Ended June 30, 2021

Net change in Fund Balances - Total Governmental Funds	\$ 71,242,658
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay reported in governmental fund statements	4,268,653	
Depreciation expense reported in the statement of activities	(6,561,773)	
Net Value of Disposals	<u>(423,703)</u>	(2,716,823)

Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.	6,988,381
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Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financial statements.	3,346,037
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Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Compensated absences benefits paid in current year	151,834	
Compensated absences benefits earned in current year	<u>(105,414)</u>	
Amounts paid are more than amounts earned by		46,420

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

Bonds and notes payable	17,784,636	
Capital lease	<u>173,729</u>	17,958,365

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.

The amount of debt incurred in the current year is:		
Bonds and notes payable	(80,830,000)	
Bond premium	(3,070,668)	
Capital lease	<u>(169,141)</u>	(84,069,809)

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.

The amount of interest paid during the current period	3,012,005	
The amount of interest accrued during the current period	<u>(3,393,548)</u>	
Interest paid is less than interest accrued by:		(381,543)

Prior year debt premium, discount and refunding losses are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The amortization for the current year is

Amortization of bond premium		<u>565,493</u>
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Change in Net Position - Governmental Activities	<u>\$ 12,979,179</u>
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OSHKOSH AREA SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Fund

As of June 30, 2021

	Employee Benefit Trust
ASSETS	
Cash and Investments	\$ 13,863,448
Accounts Receivable	297
Total Assets	<u>13,863,745</u>
LIABILITIES	
Accounts Payable	<u>4,412,727</u>
NET POSITION	
Restricted:	
Other Post Employment Benefits	<u><u>\$ 9,451,018</u></u>

OSHKOSH AREA SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	<u>Employee Benefit Trust</u>
ADDITIONS	
Contributions to Employee-Benefit Trust	\$ 5,399,524
Interest	208,515
Total Additions	<u>5,608,039</u>
DEDUCTIONS	
Payments from Employee-Benefit Trust	<u>4,404,627</u>
CHANGE IN NET POSITION	1,203,412
NET POSITION - BEGINNING	<u>8,247,606</u>
NET POSITION - ENDING	<u><u>\$ 9,451,018</u></u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Oshkosh Area School District (District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

Nature of Operations

The District is organized as a unified school district. The District, governed by a seven-member elected school board, operates grades Kindergarten through 12 and is comprised of all or part of seven taxing districts.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

District-Wide Financial Statements

The District-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. The District has no internal service funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental that the District believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, capital projects, special revenue, or debt service based upon the following guidelines.

General Fund

The general fund is the primary 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.

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital expenditures.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Employee Benefit Trust

This fund is used to account for resources held in trust for formally established post-employment benefit plans.

Major Funds

The District reports the following major governmental funds:

General Fund - The general fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Capital Projects Fund - This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor Funds

The District reports the following nonmajor funds:

Special Revenue Trust Fund - This fund accounts for funds from private gifts and donations from private parties, as well as student activity accounts.

Food Service Fund - This fund accounts for the activities associated with the District's hot lunch program.

Community Services Fund - This fund accounts for activities serving the community that are funded by property taxes and fees.

Long-Term Capital Improvement Fund - This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets and planned for in a long-term capital plan.

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

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

Cooperative Fund - This fund is to be used for all other types of cooperative instructional funds.

The District has adopted GASB Statement No. 84, *Fiduciary Activities* for the year ended June 30, 2021. This statement revised the definition of fiduciary activities that may be and must be reported as fiduciary funds. The criteria provided focus on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that could be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. As a result of adopting this statement, the District reclassified Student Activity Fund activity and Recreation activity to be reported in the governmental funds. Specifically, this activity will be reported prospectively in the District's Special Revenue Trust Fund and Community Service Fund, respectively.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and deferred outflows of resources and liabilities and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

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

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

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

Cash and Investments

The District's cash and investments are combined on the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Cash balances for individual funds are pooled unless maintained in segregated accounts.

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

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 laws applicable to trust investments.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Receivables

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

Property Taxes

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection by comprising municipalities based on the immediate past October 1 full or “equalized” taxable property values. As permitted by a collecting municipality’s ordinance, taxes may be paid in full or in two or more installments with the first installment payable by the subsequent January 31 and a final payment no later than the following July 31.

On or before January 15, and by the twentieth of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2020 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2021. 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.

Inventory

Inventory is recorded at cost using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Prepaid Expenses

Prepaid expenses are payments made to vendors that will benefit periods beyond the end of the current fiscal year.

Interfund Activity

In the process of aggregating the financial information for the district-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental categories is reported as follows in the fund financial statements:

- Interfund transfer – Flow of assets from one fund to another where repayment is not expected, are reported as transfers in and out.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

District-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the district-wide financial statements as follows:

- Internal activities – Amounts reported as interfund transfers and due from/to other funds in the governmental fund financial statements are eliminated in the district-wide statement of activities and statement of net position.

Capital Assets

Capital assets are reported at actual or estimated historical cost, based on appraisals conducted by an independent third-party professional 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 methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows: assets with an initial individual cost of \$5,000 or higher and an estimated useful life in excess of one year. All depreciable capital assets are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Land improvements	30
Buildings and improvements	50 - 60
Machinery and equipment	5 - 25
Vehicles	5 - 20

Unearned Revenue

The district-wide statement of net position and the governmental funds balance sheet report unearned revenue and therefore defer revenue recognition in connection with resources that have been received, but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced, as applicable, and income is recognized.

Compensated Absences

The District's policy allows maintenance and secretarial employees to earn varying amounts of vacation pay for each year employed and may carry forward five days of accumulated vacation, which can be accumulated and is vested. Upon retirement or termination of employment, the employee is entitled to receive the accumulated vacation pay in cash. The liability is calculated based on pay or salary rates in effect for June 30, 2021.

The District's policy allows for early retirement benefits. These benefits include the payment of health and dental premiums for teacher who retire early. Premiums are paid by the District for the retiree until he/she reaches age 65, dies, or becomes eligible for Medicare. The liability is calculated based on pay or salary rates in effect as of June 30, 2021.

The District's policy allows maintenance, secretarial, and food service employees to earn sick pay at a rate of one day per month of service accumulating to a maximum of 180 days. Teachers are allowed up to 90 sick days per year. The District's policy does not allow accumulated sick pay to vest. Unused accumulated sick pay is forfeited upon retirement or termination of employment.

All vacation time is accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period the debt is issued. Principal payments are recorded against the liability and interest payments are recorded as a current expense.

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

Deferred Outflows/Deferred Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Pension and Other Post-Employment Benefits

Pensions

Wisconsin Retirement System

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (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.

Supplemental Pension Plan

Qualifying teachers and administrators are provided with a supplemental pension. The supplemental pension is a single employer defined benefit plan administered by the District. For purposes of measuring the supplemental pension liability, related deferred outflows and inflows and pension expense, the District used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with benefit terms.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Other Post-Employment Benefits (OPEB)

Single-employer Defined Postemployment Benefit Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with available expendable financial resources are recorded during the year as expenditures in the appropriate governmental fund types. If they are not liquidated with available expendable financial resources, a liability is recorded in the district-wide statement of net position. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

Fund Equity Classifications

District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Unspent bond proceeds are removed from the outstanding debt noted above.
- b. Restricted net position – Consist of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount that does not meet the definition of "restricted" or "net investment in capital assets."

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Equity Classifications (Continued)

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.

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned:

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts) or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year end; however, the amount can be determined in the subsequent period. The School Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the School Board for a specific intended purpose. The District has not delegated that authority to the District's management. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The District, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from these estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in the previously reported net position, changes in net position, fund balance or changes in fund balance.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 2 – Cash and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, the trust and pupil activity funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

The District is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics.
- Bonds or securities guaranteed by the U.S. Government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant resolutions of the District.

The carrying amounts of the District's cash and investments totaled \$108,552,163 on June 30, 2021 as summarized below:

Petty Cash and Cash on Hand	\$	4,452
Deposits With Financial Institutions		5,553,456
Investments		
Fixed Interest Annuities		9,377,495
Bond Mutual Funds		3,917,612
Equity Mutual Funds		164,232
Wisconsin Investment Series Cooperative		89,534,916
Total	\$	<u>108,552,163</u>

Reconciliation to the basic financial statements:

Government-Wide Statement Net Position		
Cash and Investments	\$	94,688,715
Fiduciary Fund Statement of Net Position		
Employee Benefit Trust		13,863,448
Total	\$	<u>108,552,163</u>

At June 30, 2021 the bank balance of cash was \$5,298,820. The District maintains its cash accounts at five financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest-bearing demand deposit accounts.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 2 – Cash and Investments (Continued)

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The State Guarantee Fund has not been considered in the table below as insured deposits.

As of June 30, 2021 the District had the following deposits:

Fully Insured Deposits	\$ 777,654
Collateralized with Letter of Credit	4,521,166
Total	<u>\$ 5,298,820</u>

For all deposits and investments shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
WISC Investments					
Investment series	\$ 43,489,450	\$ -	\$ -	\$ -	\$ 43,489,450
Fixed Income	46,045,466	-	-	-	46,045,466
Totals	<u>\$ 89,534,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,534,916</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At June 30, 2021, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% of more of total District investments.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 2 – Cash and Investments (Continued)

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$89,534,916 at year-end consisting of \$43,489,450 invested in the Investment Series, and \$46,045,466 invested in the Fixed Income Investments. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less. The Limited Term Series investments feature a fixed rate of return and a fixed maturity date.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperative Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

The District has established an employee benefit trust fund to pay retiree's post-employment retirement benefits. The trust has \$13,459,339 invested in the fixed interest annuities, bond mutual funds and equity funds with American United Life insurance Company (AUL), and One American Company, These fixed interest annuities are backed AUL's general account assets. AUL bears the investment risk for the AUL Fixed Interest Account values and for paying interest.

Note 3 – Interfund Transfers

Interfund transfers between individual funds of the District as reported in the fund financial statements for the year ended June 30, 2021 are detailed below:

<u>Fund Transferred To:</u>	<u>Fund Transferred From:</u>	<u>Amount</u>	<u>Purpose</u>
Cooperative Fund	General Fund	\$ 35,350	Operating Transfer to Fund Deficit Operations

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 4 – Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Nondepreciable:				
Land	\$ 1,528,346	\$ -	\$ -	\$ 1,528,346
Construction in Progress	36,026	2,104,993	294,099	1,846,920
Total Capital Assets, Nondepreciable	<u>1,564,372</u>	<u>2,104,993</u>	<u>294,099</u>	<u>3,375,266</u>
Capital Assets, Depreciable				
Buildings and Improvements	168,259,863	1,744,608	1,413,531	168,590,940
Machinery and Equipment	7,020,025	713,151	3,236,926	4,496,250
Total Capital Assets, Depreciable	<u>175,279,888</u>	<u>2,457,759</u>	<u>4,650,457</u>	<u>173,087,190</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(74,352,869)	(5,867,542)	(1,028,848)	(79,191,563)
Machinery and Equipment	(5,125,467)	(694,231)	(3,197,906)	(2,621,792)
Total Accumulated Depreciation	<u>(79,478,336)</u>	<u>(6,561,773)</u>	<u>(4,226,754)</u>	<u>(81,813,355)</u>
Total Capital Assets, Depreciable, Net	<u>95,801,552</u>	<u>(4,104,014)</u>	<u>423,703</u>	<u>91,273,835</u>
Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 97,365,924</u></u>	<u><u>\$ (1,999,021)</u></u>	<u><u>\$ 717,802</u></u>	<u><u>\$ 94,649,101</u></u>

Governmental activities depreciation expense for fiscal year ended June 30, 2021 was \$6,561,773 and was unallocated as many functions use these assets and the allocation is not determinable.

Note 5 – Short-Term Obligations

The District issued tax and revenue anticipations promissory notes in advance of property tax collections. The notes are needed because District expenses for the year begin in July whereas tax collections are not received until January. Short-term debt activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax and Revenue Anticipation Note	<u>\$ -</u>	<u>\$ 9,775,000</u>	<u>\$ 9,775,000</u>	<u>\$ -</u>

Total interest paid for the year on short-term debt totaled \$232,156.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 6 – Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
General Obligation					
Bonds	\$ 50,105,000	\$ 80,830,000	\$ 17,590,000	\$ 113,345,000	\$ 5,235,000
Notes	194,636	-	194,636	-	-
Total General					
Obligation Debt	14,450,000	80,830,000	17,784,636	113,345,000	5,235,000
Debt Premium	1,380,641	3,070,668	565,493	3,885,816	255,493
Capital Leases	267,183	169,141	173,729	262,595	113,198
Compensated Absences	429,897	105,414	151,834	383,477	383,477
 Total Governmental Activities					
Long-Term Liabilities	<u>\$ 14,767,946</u>	<u>\$ 84,175,223</u>	<u>\$ 18,675,692</u>	<u>\$ 117,876,888</u>	<u>\$ 5,987,168</u>

Total interest paid on long-term debt for the year ended June 30, 2021 was \$2,778,441.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2021, is comprised of the following individual issues:

	Original Issuance	Issue Dates	Interest Rate	Dates of Maturity	Balances 06/30/21
General obligation bonds	\$ 12,995,000	06/15/12	3.00 - 5.00%	06/15/32	\$ 2,805,000
General obligation bonds	21,545,000	10/15/12	3.00%	10/15/32	4,410,000
General obligation bonds	14,500,000	04/15/15	3.00 - 5.00%	04/15/35	12,545,000
General obligation bonds	17,300,000	04/04/17	2.00 - 5.00%	04/04/37	12,910,000
General obligation bonds	15,830,000	09/02/20	0.25 - 1.45%	03/01/32	15,675,000
General obligation bonds	65,000,000	03/01/21	1.625 - 3.000%	03/01/41	65,000,000
 Total					<u>\$ 113,345,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2021 follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 5,235,000	\$ 2,690,118	\$ 7,925,118
2023	4,830,000	2,551,002	7,381,002
2024	4,570,000	2,418,542	6,988,542
2025	4,720,000	2,266,822	6,986,822
2026	4,860,000	2,112,592	6,972,592
2027-2031	26,060,000	8,797,810	34,857,810
2032-2036	30,050,000	5,489,247	35,539,247
2037-2041	33,020,000	1,964,357	34,984,357
 Total	<u>\$ 113,345,000</u>	<u>\$ 28,290,490</u>	<u>\$ 106,651,133</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 6 – Long-Term Obligations (Continued)**Legal Margin for New Debt**

The District's legal margin for creation of additional general obligation debt on June 30, 2021 was \$494,752,880.

Equalized valuation of the District		\$ 6,045,956,244
Statutory limitation percentage		10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>604,595,624</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 113,345,000	
Less: Amounts available for financing general obligation debt		
Debt service fund net of accrued interest	<u>3,502,256</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>109,842,744</u>
Legal margin for new debt		<u><u>\$ 494,752,880</u></u>

Capital Leases

The District is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$414,849 and the related accumulated depreciation is \$229,798 as of June 30, 2021.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at June 30, 2021.

Year Ending	Governmental Activities
2022	\$ 128,993
2023	90,556
2024	68,426
2025	38,518
2026	<u>16,487</u>
Subtotal	<u>326,493</u>
Less: Amount Representing Interest	<u>63,898</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 262,595</u></u>

Current Refunding

During the year the District partially current refunded general obligation bonds issued June 15, 2012 and October 15, 2012. At June 30, 2021, \$3,455,000 is remaining as a balance on the June 15, 2012 general obligation refunding bonds and \$5,430,000 is remaining as a balance on the October 15, 2012 general obligation refunding bonds. The balance on the 2020 general obligation refunding bonds was \$15,830,000. The current refunding was undertaken to reduce its total debt service payments by \$1,812,068 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,667,499.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans

The District reports pension related balances at June 30, 2021, as summarized below:

	Pension Asset	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Wisconsin Retirement System (WRS)	\$ 25,444,749	\$ -	\$ 39,741,741	\$ 55,861,264
Supplemental Stipend Pension Plan	-	842,481	32,284	106,624
Total pension liability	<u>\$ 25,444,749</u>	<u>\$ 842,481</u>	<u>\$ 39,774,025</u>	<u>\$ 55,967,888</u>

1. Wisconsin Retirement System

General Information About the Pension Plan

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2)%	11%
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

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, and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,582,593 in contributions from the District.

Contribution rates as of June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%

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

At June 30, 2021, the District reported an asset of \$25,444,749 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.40756342%, which was an decrease of .00733227% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,878,658.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)***Pension Liabilities (Assets), Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 36,826,365	\$ 7,932,332
Net differences between projected and actual earnings on pension plan investments	577,136	47,770,444
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	158,488
Employer contributions subsequent to the measurement date	2,338,240	-
Total	\$ 39,741,741	\$55,861,264

The \$2,338,240 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (4,773,613)
2023	(1,318,439)
2024	(8,685,343)
2025	(3,680,368)
	<u><u>\$ (18,457,763)</u></u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

Asset Allocation Targets and Expected Returns as of December 31, 2020

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115.0% *	6.6%	4.1%
Variable Fund Asset Class			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

Single Discount Rate. A single discount rate of 7.00% 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 7.00% and a municipal bond rate of 2.00% (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 24,219,875	\$(25,444,749)	\$(61,923,046)

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

Payables to the Pension Plan. The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS as of June 30, 2021 is \$1,196,549 for June payroll.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

2. Supplemental Pension Plan

Plan Description. The plan, a single-employer plan, is a defined benefit pension plan established to provide benefits after early retirement. The plan is administered by the District. The plan does not issue separate financial statements.

Benefits Provided. A summary of eligibility requirements and plan benefits are as follows:

Administrators who retire from the District. After attaining age 55 if hired prior to July 4, 2004 and age 57 if hired on or after July 1, 2004, are eligible to receive a retirement payment equal to the yearly amount multiplied by years of administrative service, subject to the limit of the one-time maximum payment as follows:

Age	Yearly Amount	One-Time Maximum Payment
55	\$ 600	66% of Salary
56	600	66% of Salary
57	1,200	66% of Salary
58	1,250	68% of Salary
59	1,300	70% of Salary
60 and Older	1,350	72% of Salary

Administrative staff who retire from the District after attaining age 57 are eligible to receive a retirement payment equal to \$500 multiplied by years of service, subject to the limit of the one-time maximum payment of 66% of salary.

Teachers who retire from the District, after attaining age 55 if hired prior to September 1, 2006 and age 57 if hired on or after September 1, 2006 with the completion of twelve years of service with the District are eligible to receive a retirement payment. Teachers are eligible to receive a retirement payment equal to \$150 multiplied by years of service, subject to a maximum payment \$10,000. Teachers age 49 and under before May 1, 2017 will no longer receive a \$150 per year stipend. The supplemental pension is now closed as all participants had to retire by June 30, 2017 to be eligible for the above benefits.

Employees Covered by Benefit Terms. Membership of the Plan at June 30, 2019 used for the latest actuarial valuation:

	Active Employees	Retirees	Total
Administrators	40	2	42
Administrative Staff	4	2	6
Teachers	144	19	163
Other	3	-	3
	191	23	214

Funding Policy. The entire cost of these benefits is paid by the District. Benefits are currently funded on a pay-as-you-go basis and no assets exist to prefund retiree benefits.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of salary
Actuarial assumptions:	
Discount rate	2.25%
Salary increases	2.00%

Mortality rates are the same as those used in the December 31, 2018 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2017.

Discount Rate. The discount rate used to measure the total pension liability was 2.25 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected pension payments for current active and inactive employees. 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.

Changes in Total Pension Liability

	Amount
Balance at July 1, 2020	<u>\$ 990,148</u>
Changes for the year:	
Service cost	33,867
Interest	37,943
Differences between expected and actual experiences	(94,329)
Changes of assumptions or other input	(8,148)
Benefit payments	<u>(117,000)</u>
Net changes	<u>(147,667)</u>
Balance at June 30, 2021	<u><u>\$ 842,481</u></u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's net pension liability calculated using the discount rate of 2.25 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1–percentage-point lower (1.25 percent) or 1–percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase To Discount Rate (3.25%)
Total Pension Liability	\$ 867,759	\$ 842,481	\$ 816,465

Total Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported an liability of \$842,481. For the year ended June 30, 2021, the District recognized pension expense of \$60,544 for the supplemental pension plan. At June 30, 2021, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 32,284	\$ 80,853
Changes in assumptions	-	25,771
Total	\$ 32,284	\$ 106,624

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Net Deferred Inflows of Resources
2022	\$ (11,266)
2023	(11,266)
2024	(11,266)
2025	(11,265)
2026	(14,640)
Therafter	(14,637)
	\$ (74,340)

Payables to the Pension Plan. At June 30, 2021, the District reported no outstanding contributions to the plans required.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits

The District reports OPEB related balances at June 30, 2021 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,670,580	\$ 699,111	\$ 240,736
Single-employer defined OPEB plan	55,107,141	4,001,770	33,869,181
Total other postemployment benefits liability	<u>\$ 56,777,721</u>	<u>\$ 4,700,881</u>	<u>\$ 34,109,917</u>

1. Single-employer Defined Postemployment Benefit Plan

Plan Description. The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided. A summary of eligibility requirements and plan benefits are as follows:

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

	Active Employees	Retirees	Total
Administrators	36	4	40
Administrative Staff	3	1	4
Teachers	790	117	907
Support Staff	112	17	129
Paraprofessionals	188	28	216
Food Service	13	2	15
Other	28	3	31
	<u>1,170</u>	<u>172</u>	<u>1,342</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

Investments. Rate of Return. For the year ended June 30, 2021, the annual money-weighted rate of return, net of investment expense, was 1.98%

Concentrations. The investment policy of the Plan contains no limitations on the amount that can be invested in any one issuer. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total Plan investments.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 60,476,316
Plan Fiduciary Net Position - Ending (b)	5,369,175
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 55,107,141</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.88%
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Contributions

The District provide medical, dental, and prescription drug coverage for active and retired employees through the District's insured plans. Medical and drugs are covered under a Health Reimbursement Arrangement (HRA). employees and retirees will pay the first \$500/\$1,000 in-network deductible. The District will reimburse the next \$1,500-\$3,000 of the deductible, regardless of whether incurred in-network, out-of-network, or a combination of the two. Employees shall pay the remained of the \$2,000/\$4,000 of the out-of-pocket maximums.

Net OPEB Liability. The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.25%
Inflation:	2.00%
Investment rate of return:	2.25%
Healthcare cost trend rates:	6.5% decreasing by 0.10% per year down to 5.00%, and level thereafter

Mortality rates are the same as those used in the December 2018 Wisconsin Retirement Systems' annual report.

The actuarial assumptions used in the June 30, 2020 valuation were based on the "Wisconsin Retirement System 2015-2017 Experience Study".

The long-term expected rate of return on OPEB plan investments was valued at 2.25%. A blend of expected earnings on District funds and the current yield for 20 year tax-exempt AA Municipal bond rate or high as of the measurement date was used for all years of benefit payments.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 7/1/20	\$ 91,621,309	\$ 5,025,882	\$ 86,595,427
Changes for the year:			
Service Cost	2,823,084	-	2,823,084
Interest	3,641,144	-	3,641,144
Changes of Benefit Terms	(2,322,477)	-	(2,322,477)
Differences Between Expected and Actual Experience	(4,246,421)	-	(4,246,421)
Changes of Assumptions or Other Input	(27,031,833)	-	(27,031,833)
Contributions - Employer	-	4,248,522	(4,248,522)
Net Investment Income	-	103,092	(103,092)
Benefit Payments	(4,008,490)	(4,008,490)	-
Adjustment	-	169	(169)
Net Changes	<u>(31,144,993)</u>	<u>343,293</u>	<u>(31,488,286)</u>
Balances at 6/30/2021	<u>\$ 60,476,316</u>	<u>\$ 5,369,175</u>	<u>\$ 55,107,141</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the District's net OPEB liability calculated using the discount rate of 2.25 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ 63,987,748	\$ 60,476,316	\$ 57,065,199
Fiduciary Net Position	5,369,175	5,369,175	5,369,175
Net OPEB Liability	<u>\$ 58,618,573</u>	<u>\$ 55,107,141</u>	<u>\$ 51,696,024</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 6.50 percent decreasing to 5.00 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.50% decreasing to 6.0 percent) than the current rate:

	1% Decrease (5.50% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
Total OPEB Liability	\$ 54,907,020	\$ 60,476,316	\$ 66,877,976
Fiduciary Net Position	5,369,175	5,369,175	5,369,175
Net OPEB Liability	<u>\$ 49,537,845</u>	<u>\$ 55,107,141</u>	<u>\$ 61,508,801</u>

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available on pages 16-17.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$711,826. At June 30, 2021, the District reported deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 3,826,796	\$ 3,821,779
Changes in assumptions	-	30,047,402
Net differences between projected and actual earnings on OPEB plan investments	174,974	-
Total	<u>\$ 4,001,770</u>	<u>\$ 33,869,181</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

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

Year ended June 30,	Net Deferred Inflows of Resources
2022	\$ (3,223,920)
2023	(3,252,758)
2024	(3,268,362)
2025	(3,279,274)
2026	(3,299,822)
Therafter	(13,543,275)
	<u>\$ (29,867,411)</u>

2. Local Retiree Life Insurance Fund

General Information About the OPEB Plan

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

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Contribution rates as of June 30, 2021 are:

Coverage Type	Employee
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (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, 2020 are as listed below:

**Life Insurance Member
Contribution Rates ***

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

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

During the reporting period, the Plan recognized \$6,077 in contributions from the employer.

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

At June 30, 2021, the District reported a liability of \$1,670,580 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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, 2020, the District's proportion was 0.30370200%, which was an increase of 0.00677300% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$199,647.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

At June 30, 2021, 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 projected and actual experiences	\$ -	\$ 79,714
Changes in assumptions	649,879	-
Net differences between projected and actual earnings on pension plan investments	24,323	114,624
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,979	46,398
Employer contributions subsequent to the measurement date	2,930	-
Total	<u>\$ 699,111</u>	<u>\$ 240,736</u>

The \$2,930 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending June 30, 2022. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources
2022	\$ 85,047
2023	82,417
2024	79,708
2025	71,336
2026	90,138
2026	46,799
	<u>\$ 455,445</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. 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.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)

Single Discount Rate. A single discount rate of 2.25% was used to measure the total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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.

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 to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.25 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's Proportionate Share of the Net OPEB Liability	\$ 2,272,467	\$ 1,670,580	\$ 1,215,391

Payables to the OPEB Plan. The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. There were no amounts due to WRS for Life Insurance Benefits as of June 30, 2021.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 9 – Fund Equity**District-Wide Statements**

Net position of the governmental activities reported on the district-wide statement of net position at June 30, 2021 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 94,649,101
Less: Related Long-Term Debt Outstanding	(113,345,000)
Less: Debt Premium	(3,885,816)
Less: Capital Leases Payable	(262,595)
Unspend debt proceeds	63,353,054
Net Investment in Capital Assets	<u>40,508,744</u>
Restricted for	
Pension Benefits - Cost Sharing Plan	9,325,226
Future Debt Service	3,502,256
Capital Projects	4,440,039
Food Service	777,026
Donor Intentions	3,737,896
Common School Funds	136,130
Total Restricted	<u>21,782,443</u>
Unrestricted Deficit	<u>(64,011,573)</u>
Total District-Wide Net Deficit	<u>\$ (1,720,386)</u>

Note 10 – Dental Self-Insurance

As of January 1, 2021, the District implemented a self-funded dental insurance plan. At June 30, 2021, the District has reported a liability of \$138,122, which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. This amount consists of claims reported to the District by the Plan administrator of \$71,972 and claims which were not yet reported to either Plan administrator or the District were \$66,150. The amounts not reported to the District were determined by the Plan administrator.

	Beginning-of- Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year- End
2020-2021	\$ -	\$ 1,488,404	\$ 1,350,282	\$ 138,122

Note 11 – Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount has been approved by a referendum.

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

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

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2021

Note 12 – Contingencies

The District has committed to several capital projects with vendors, including a new middle school for \$52.6 million, district-wide infrastructure for \$8.3 million and security and safety projects for \$2.3 million.

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

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2021, are not likely to have a material adverse impact on the District's financial position.

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and natural disasters. The District insures through commercial insurance companies for all risks of loss. Settled claims from these risks have not exceeded insurance coverage in the past three fiscal years.

Note 14 – Upcoming Accounting Pronouncement

GASB Statement No. 87, Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The pronouncement will be effective for year ending June 30, 2022.

The District is evaluating the impact these standards will have on the financial statements when adopted.

Note 15 – Restatement of Beginning Net Position and Fund Balance

As a result of the District implementing GASB No. 84, the Special Revenue Trust Fund, Community Service Fund fund balances and District-Wide statement of net position has been restated as of June 30, 2020.

	District Wide	Special Revenue Fund	Community Service Fund
Net Position/ Fund Balance - June 30, 2020	\$ (16,243,584)	\$ 862,074	\$ 973,961
Implementation of GASB 84	1,544,019	1,411,546	132,473
Net Position/ Fund Balance - As Restated June 30, 2020	<u>\$ (14,699,565)</u>	<u>\$ 2,273,620</u>	<u>\$ 1,106,434</u>

REQUIRED SUPPLEMENTARY INFORMATION

OSHKOSH AREA SCHOOL DISTRICT

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS) Last 10 Fiscal Years*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Asset/Liability	District's Proportionate Share of the Net Pension (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2020	0.40756342%	\$ (25,444,749)	\$ 66,598,082	38.21%	105.26%
12/31/2019	0.41489569%	(13,378,131)	65,452,816	20.44%	102.96%
12/31/2018	0.41888965%	14,902,780	63,909,268	23.32%	96.45%
12/31/2017	0.41865198%	(12,430,274)	62,417,471	19.91%	102.93%
12/31/2016	0.41197500%	3,395,658	60,823,569	5.58%	99.12%
12/31/2015	0.40233920%	6,532,973	58,908,631	11.09%	98.20%
12/31/2014	0.39501841%	(9,702,733)	55,757,935	17.40%	102.74%

Schedule of Employer Contributions Wisconsin Retirement System (WRS)

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	\$ 4,582,593	\$ 4,582,593	\$ -	\$ 67,888,789	6.75%
6/30/2020	4,416,315	4,416,315	-	66,407,243	6.65%
6/30/2019	3,750,722	3,750,722	-	56,705,817	6.61%
6/30/2018	4,277,329	4,277,329	-	63,483,987	6.74%
6/30/2017	4,160,826	4,160,826	-	61,875,686	6.72%
6/30/2016	4,024,971	4,024,971	-	60,292,614	6.68%
6/30/2015	3,999,011	3,999,011	-	58,159,334	6.88%

*Ten years of information will be accumulated and presented beginning with the Districts fiscal year ended June 30, 2015.

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Changes in the Net Pension Liability and Related Ratios - Supplemental Pension
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 33,867	\$ 32,564	\$ 34,932	\$ 50,036	\$ 54,441
Interest	37,943	41,284	42,915	37,754	38,953
Difference Between Expected and Actual Experience	(94,329)	-	56,497	-	-
Changes of Assumptions or Other Input	(8,148)	-	(32,878)	-	-
Benefit Payments	(117,000)	(198,953)	(525)	(157,625)	(147,836)
Net Change in Total Pension Liability	(147,667)	(125,105)	100,941	(69,835)	(54,442)
Total Pension Liability - Beginning	990,148	1,115,253	1,014,312	1,084,147	1,138,589
Total Pension Liability - Ending (A)	\$ 842,481	\$ 990,148	\$ 1,115,253	\$ 1,014,312	\$ 1,084,147
 Covered Employee Payroll	 \$ 14,229,823	 \$ 15,472,422	 \$ 17,816,688	 \$ 17,113,998	 \$ 19,580,529
 Net Pension Liability as Percentage of Covered Employee Payroll	 5.92%	 6.40%	 6.26%	 5.93%	 5.54%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OSHKOSH AREA SCHOOL DISTRICT

Schedule of Changes in Net OPEB Liability, Fiduciary Net Position, and Related Ratios Other Post-Employment Benefits Last 10 Measurement Years*

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 2,823,084	\$ 2,714,504	\$ 2,829,493	\$ 3,724,181	\$ 3,857,622
Interest	3,641,144	3,707,642	3,601,442	299,504	300,858
Changes of Benefit Terms	(2,322,477)	-	-	-	-
Differences Between Expected and Actual Experience	(4,246,421)	-	4,870,466	-	-
Changes of Assumptions	(27,031,833)	-	(7,278,413)	-	-
Benefit Payments	(4,008,490)	(4,182,113)	(4,256,208)	(4,605,706)	(4,348,977)
Net Change in Total OPEB Liability	(31,144,993)	2,240,033	(233,220)	(582,021)	(190,497)
Total OPEB Liability - Beginning	91,621,309	89,381,276	89,614,496	90,196,517	90,387,014
Total OPEB Liability - Ending (a)	\$ 60,476,316	\$ 91,621,309	\$ 89,381,276	\$ 89,614,496	\$ 90,196,517
Fiduciary Net Position					
Contributions - Employer	\$ 4,248,522	\$ 4,659,734	\$ 4,554,723	\$ 4,664,674	\$ 5,012,901
Net Investment Income	103,092	122,478	83,722	99,309	101,981
Benefit Payments	(4,008,321)	(4,182,113)	(4,256,208)	(4,176,547)	(3,918,722)
Net Change in Fiduciary Net Position	343,293	600,099	382,237	587,436	1,196,160
Fiduciary Net Position - Beginning	5,025,882	4,425,783	4,043,546	3,456,110	2,259,950
Fiduciary Net Position - Ending (b)	\$ 5,369,175	\$ 5,025,882	\$ 4,425,783	\$ 4,043,546	\$ 3,456,110
Net OPEB Liability (a) - (b)	\$ 55,107,141	\$ 86,595,427	\$ 84,955,493	\$ 85,570,950	\$ 86,740,407
 Fiduciary Net Position as a Percentage of the Total OPEB Liability	 8.88%	 5.49%	 4.95%	 4.51%	 3.83%
 Covered-Employee Payroll	 \$65,592,060	 \$69,188,726	 \$ 67,102,377	 \$ 64,158,597	 \$ 64,513,685
 Net OPEB Liability as a Percentage of Covered-Employee Payroll	 84.01%	 125.16%	 126.61%	 133.37%	 134.45%
 Annual Money-Weighted Rate of Return, Net of Investment Expenses	 1.98%	 2.59%	 1.98%	 2.65%	 3.57%

*Ten years of data will be accumulated beginning with 2017.

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Employer Contributions - Other Post-Employment Benefits
Last 10 Measurement Years*

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 5,312,920	\$ 9,338,338	\$ 9,457,926	\$ 8,966,876	\$ 8,896,798
Contributions in Relation to the Actuarially Determined Contribution	4,248,522	4,659,734	4,554,723	5,093,833	8,896,798
Contribution Deficiency (Excess)	<u>\$ 1,064,398</u>	<u>\$ 4,678,604</u>	<u>\$ 4,903,203</u>	<u>\$ 3,873,043</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 65,592,060	\$ 69,188,726	\$ 67,102,377	\$ 64,158,597	\$ 64,513,685
Contributions as a percentage of Covered-Employee Payroll	6.48%	6.73%	6.79%	7.94%	13.79%
Key Methods and Assumptions Used to Calculate ADC					
Actuarial Cost Method	Entry Age Normal - Level % of Salary	Entry Age Normal - Level % of Salary	Entry Age Normal - Level % of Salary	Entry Age Normal - Level % of Salary	Entry Age Normal - Level % of Salary
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value
Amortization Method	30 Year Level Dollar	18 Year Level Dollar	19 Year Level Dollar	20 Year Level Dollar	21 Year Level Dollar
Discount Rate	2.25%	4.00%	4.00%	3.50%	3.50%
Inflation	2.00%	N/A	N/A	N/A	0.00%
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016

See Accompanying Notes to Required Supplementary Information

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Employer's Proportionate Share of the Net OPEB Liability
Other Post-Employment Benefits - Cost-Sharing Plan
Last Ten Fiscal Years*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability
12/31/2020	0.30370200%	\$ 1,670,580	\$ 11,545,000	14.47%	31.36%
12/31/2019	0.29692900%	1,264,382	11,304,000	11.19%	37.58%
12/31/2018	0.31874400%	822,467	11,090,000	7.42%	48.69%
12/31/2017	0.31776600%	956,024	13,362,969	7.15%	44.81%

Schedule of Employer Contributions
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan
Last Ten Fiscal Years*

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	\$ 6,077	\$ 6,077	\$ -	\$ 70,743,817	0.01%
6/30/2020	5,921	5,921	-	66,407,243	0.01%
6/30/2019	6,141	6,141	-	56,705,817	0.01%
6/30/2018	6,052	6,052	-	63,483,987	0.01%

*Ten years of data will be accumulated beginning with 2018.

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
REVENUES				
Property Taxes	\$ 44,227,222	\$ 44,227,222	\$ 44,243,500	\$ 16,278
Other Local Sources	941,235	948,525	755,615	(192,910)
Interdistrict Sources	1,002,000	1,002,000	1,626,313	624,313
Intermediate Sources	-	-	8,500	8,500
State Sources	73,276,210	73,338,711	73,498,882	160,171
Federal Sources	4,872,706	4,950,703	5,736,245	785,542
Other Sources	126,000	131,000	524,220	393,220
Total Revenues	124,445,373	124,598,161	126,393,275	1,795,114
EXPENDITURES				
Instruction				
Regular Instruction	52,226,271	52,696,916	52,327,933	368,983
Vocational Instruction	2,739,112	2,780,923	2,816,352	(35,429)
Physical Instruction	3,154,989	3,164,856	3,209,779	(44,923)
Other Instruction	1,713,402	1,712,902	1,505,166	207,736
Total Instruction	59,833,774	60,355,597	59,859,230	496,367
Support Services				
Pupil Services	4,298,994	4,314,894	4,497,120	(182,226)
Instructional Staff Services	5,326,636	5,587,728	5,428,783	158,945
General Administration Services	610,385	604,869	653,564	(48,695)
School Building Administration Services	6,266,124	6,270,279	6,278,441	(8,162)
Business Services	1,323,522	1,334,038	1,173,985	160,053
Operations and Maintenance	12,313,686	12,315,936	11,774,390	541,546
Pupil Transportation	1,536,593	1,530,993	1,392,794	138,199
Central Services	839,264	844,829	661,877	182,952
Insurance	926,200	926,200	988,894	(62,694)
Debt Service				
Principal	84,000	164,000	177,369	(13,369)
Interest and fiscal charges	215,248	215,248	233,564	(18,316)
Other Support Services	4,487,773	4,493,508	5,008,787	(515,279)
Total Support Services	38,228,425	38,602,522	38,269,568	332,954
Non-Program Transactions				
General Tuition Payments	2,027,968	2,027,968	4,983,170	(2,955,202)
Voucher Payments	3,073,526	3,073,526	3,116,607	(43,081)
Adjustments and Refunds	25,000	25,000	163,807	(138,807)
Total Non-Program Transactions	5,126,494	5,126,494	8,263,584	(3,137,090)
Total Expenditures	103,188,693	104,084,612	106,392,382	(2,307,770)
EXCESS OF REVENUES OVER EXPENDITURES	21,256,680	20,513,549	20,000,893	(512,656)
OTHER FINANCING SOURCE (USE)				
Sale of Land and Real Property	-	-	500	500
Sale of Equipment and Vehicle Sales	-	80,000	102,225	22,225
Other Financing Sources - Capital Lease	85,000	85,000	169,141	84,141
Transfer from Other Funds	66,600	66,600	3,932	(62,668)
Transfer to Other Funds	(20,228,282)	(20,228,282)	(16,551,633)	3,676,649
Total Other Financing Source (Use)	(20,076,682)	(19,996,682)	(16,275,835)	3,720,847
NET CHANGE IN FUND BALANCE	1,179,998	516,867	3,725,058	3,208,191
FUND BALANCE - BEGINNING OF YEAR	19,620,538	19,620,538	19,620,538	-
FUND BALANCE - END OF YEAR	\$ 20,800,536	\$ 20,137,405	\$ 23,345,596	\$ 3,208,191

OSHKOSH AREA SCHOOL DISTRICT
Notes to the Required Supplementary Information
June 30, 2021

Budgets and Budgetary Accounting

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub function level in the general fund and at the function 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:

- a. Based upon requests from district staff, district administration recommends budget proposals to the school board.
- b. The school board reviews a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the school board may make alterations to the proposed budget.
- d. Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations, unless authorized by a 2/3 vote of the entire school board.

Basis of Accounting

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

Excess of Actual Expenditures Over Budget

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2021:

Individual Function	Excess Expenditures
General Fund:	
Vocational Instruction	\$ 35,429
Physical Instruction	44,923
Pupil Services	182,226
General Administration Services	48,695
School Building Administration Services	8,162
Insurance	62,694
Principal	13,369
Interest	18,316
Other Support Services	515,279
General Tuition Payments	2,955,202
Voucher Payments	43,081
Adjustments and Refunds	138,807

OSHKOSH AREA SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2021

Budget-to-Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>General Fund</u>
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Sources" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 126,665,141
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	<u>10,346,812</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	<u><u>\$ 137,011,953</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Uses" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 122,944,015
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	26,859,163
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	<u>(16,516,283)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u><u>\$ 133,286,895</u></u>

Defined Benefit Pension Plan

Wisconsin Retirement Plan

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

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

Single Employer Plan

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

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

Post-Employment Benefits Other Than Pension Benefits

Local Retiree Life Insurance Fund

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

Changes of assumptions. The *Single Discount Rate* assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional detail.

Single Employer Plan

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

Changes of assumptions. As of the measurement dates of June 30, 2021 the discount rate was changed to 2.25 percent to be reflective of a 20-year AA municipal bond rate since assets are held solely as cash and cash equivalents.

SUPPLEMENTARY INFORMATION

OSHKOSH AREA SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2021

	Special Revenue				Debt Service		Capital Projects	Total Nonmajor
	Special Revenue Trust	Food Service	Community Services	Co-operative Program	Non-Referendum Debt Service	Referendum Debt Service	Long-term Capital Improvement	Governmental Funds
ASSETS								
Cash and Investments	\$ 1,967,623	\$ 303,366	\$ 1,950,158	\$ 113,827	\$ 566,745	\$ 3,823,789	\$ 4,440,039	\$ 13,165,547
Accounts Receivable	5,000	17,239	25,656	-	-	-	-	47,895
Due from Other Governments	-	571,864	-	-	-	-	-	571,864
Inventory	-	129,886	-	-	-	-	-	129,886
Total Assets	\$ 1,972,623	\$ 1,022,355	\$ 1,975,814	\$ 113,827	\$ 566,745	\$ 3,823,789	\$ 4,440,039	\$ 13,915,192
LIABILITIES								
Accounts Payable	\$ 515	\$ 8,743	\$ 151,756	\$ 125	\$ -	\$ -	\$ -	\$ 161,139
Accrued Liabilities	15,153	21,143	43,117	12,848	-	-	-	92,261
Unearned Revenue	-	85,557	-	100,854	-	-	-	186,411
Total Liabilities	15,668	115,443	194,873	113,827	-	-	-	439,811
FUND BALANCES								
Nonspendable:								
Inventory	-	129,886	-	-	-	-	-	129,886
Restricted	1,956,955	777,026	1,780,941	-	566,745	3,823,789	4,440,039	13,345,495
Total Fund Balances	1,956,955	906,912	1,780,941	-	566,745	3,823,789	4,440,039	13,475,381
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,972,623	\$ 1,022,355	\$ 1,975,814	\$ 113,827	\$ 566,745	\$ 3,823,789	\$ 4,440,039	\$ 13,915,192

OSHKOSH AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue				Debt Service		Capital Projects	
	Special Revenue Trust	Food Service	Community Services	Co-operative Program	Non-Referendum Debt Service	Referendum Debt Service	Long-term Capital Improvement	Total
REVENUES								
Property Taxes	\$ -	\$ -	\$ 2,593,186	\$ -	\$ 3,309,012	\$ 1,850,000	\$ -	\$ 7,752,198
Other Local Sources	1,395,340	147,369	193,997	-	160	36,314	34,050	1,807,230
State Sources	-	75,494	-	-	-	-	-	75,494
Federal Sources	-	3,185,539	-	-	-	-	-	3,185,539
Other Sources	-	-	2	-	-	-	-	2
Total Revenues	1,395,340	3,408,402	2,787,185	134,516	3,309,172	1,886,314	34,050	12,954,979
EXPENDITURES								
Instruction:								
General Instruction	1,246,581	-	-	-	-	-	-	1,246,581
Other Instruction	59,333	-	-	-	-	-	-	59,333
Total Instruction	1,305,914	-	-	-	-	-	-	1,305,914
Support Services:								
Pupil Services	46,160	-	-	-	-	-	-	46,160
Instructional Staff Services	126,003	-	-	168,531	-	-	-	294,534
General Administration Services	-	-	458,218	-	-	-	-	458,218
Operations and Maintenance	217,834	-	630,695	-	-	-	140,994	989,523
Transportation Services	271	-	2,915	-	-	-	-	3,186
Food Services	-	3,006,858	-	-	-	-	-	3,006,858
Central Services	14,243	-	390,987	1,335	-	-	-	406,565
Insurance	25	-	-	-	-	-	-	25
Other Support Services	1,555	2,576	11,380	-	-	-	-	15,511
Community Services	-	-	618,483	-	-	-	-	618,483
Debt Service								
Principal	-	18,396	-	-	11,244,636	6,540,001	-	17,803,033
Interest and Fiscal Charges	-	2,317	-	-	1,803,668	972,456	-	2,778,441
Total Support Services	406,091	3,030,147	2,112,678	169,866	13,048,304	7,512,457	140,994	26,420,537
Total Expenditures	1,712,005	3,030,147	2,112,678	169,866	13,048,304	7,512,457	140,994	27,726,451
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(316,665)	378,255	674,507	(35,350)	(9,739,132)	(5,626,143)	(106,944)	(14,771,472)
OTHER FINANCING SOURCES								
Transfer from General Fund	-	-	-	35,350	-	-	-	35,350
Proceeds from Long-Term Debt	-	-	-	-	9,625,000	6,205,000	-	15,830,000
Premium on Refunding Bonds	-	-	-	-	-	3,070,668	-	3,070,668
Total Other Financing Sources	-	-	-	35,350	9,625,000	9,275,668	-	18,936,018
NET CHANGES IN FUND BALANCES	(316,665)	378,255	674,507	-	(114,132)	3,649,525	(106,944)	4,164,546
FUND BALANCES - BEGINNING OF YEAR - AS RESTATED	2,273,620	528,657	1,106,434	-	680,877	174,264	4,546,983	9,310,835
FUND BALANCES - END OF YEAR	\$ 1,956,955	\$ 906,912	\$ 1,780,941	\$ -	\$ 566,745	\$ 3,823,789	\$ 4,440,039	\$ 13,475,381

OSHKOSH AREA SCHOOL DISTRICT

Combining Schedule of Internal General and Special Education Funds - Balance Sheet
As of June 30, 2021

	<u>General</u>	<u>Special Education</u>	<u>Total General Fund</u>
ASSETS			
Cash and Investments	\$ 15,305,755	\$ 2,864,359	\$ 18,170,114
Receivables:			
Taxes	10,758,561	-	10,758,561
Accounts	4,429,487	15,671	4,445,158
Due from Other Government	3,567,664	1,002,465	4,570,129
Inventory	3,200	-	3,200
Prepaid Items	482,871	-	482,871
TOTAL ASSETS	<u>\$ 34,547,538</u>	<u>\$ 3,882,495</u>	<u>\$ 38,430,033</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,437,821	\$ 253,153	\$ 1,690,974
Accrued Liabilities			
Payroll, Payroll Taxes, Insurance	9,420,857	3,629,342	13,050,199
Self-Insurance Deposits Payable	205,142	-	205,142
Health Benefit Claims Payable	138,122	-	138,122
Total Liabilities	<u>11,201,942</u>	<u>3,882,495</u>	<u>15,084,437</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expenses and Inventory	486,071	-	486,071
Restricted	136,130	-	136,130
Unassigned	22,723,395	-	22,723,395
Total Fund Balances	<u>23,345,596</u>	<u>-</u>	<u>23,345,596</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,547,538</u>	<u>\$ 3,882,495</u>	<u>\$ 38,430,033</u>

OSHKOSH AREA SCHOOL DISTRICT
Combining Schedule of Internal General and Special Education Funds -
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General	Special Education	Total General Fund
REVENUES			
Property Taxes	\$ 44,243,500	\$ -	\$ 44,243,500
Other Local Sources	755,615	-	755,615
Interdistrict Sources	1,626,313	100,434	1,726,747
Intermediate Sources	8,500	64,589	73,089
State Sources	73,498,882	7,121,313	80,620,195
Federal Sources	5,736,245	3,060,476	8,796,721
Other Sources	524,220	-	524,220
Total Revenues	<u>126,393,275</u>	<u>10,346,812</u>	<u>136,740,087</u>
EXPENDITURES			
Instruction			
Regular Instruction	52,327,933	-	52,327,933
Vocational Instruction	2,816,352	-	2,816,352
Physical Instruction	3,209,779	-	3,209,779
Special Instruction	-	20,219,143	20,219,143
Other Instruction	1,505,166	-	1,505,166
Total Instruction	<u>59,859,230</u>	<u>20,219,143</u>	<u>80,078,373</u>
Support Services			
Pupil Services	4,497,120	3,172,230	7,669,350
Instructional Staff Services	5,428,783	1,655,173	7,083,956
General Administration Services	653,564	-	653,564
School Building Administration Services	6,278,441	-	6,278,441
Business Services	1,173,985	34,574	1,208,559
Operations and Maintenance	11,774,390	36,857	11,811,247
Pupil Transportation	1,392,794	1,613,363	3,006,157
Central Services	661,877	2,506	664,383
Insurance	988,894	-	988,894
Debt Service			
Principal	177,369	-	177,369
Interest and Fiscal Charges	233,564	-	233,564
Other Support Services	5,008,787	2,662	5,011,449
Total Support Services	<u>38,269,568</u>	<u>6,517,365</u>	<u>44,786,933</u>
Non-Program Transactions			
General Tuition Payments	4,983,170	-	4,983,170
Non-Program Payments	-	45,377	45,377
Voucher Payments	3,116,607	-	3,116,607
Adjustments and Refunds	163,807	74,933	238,740
Revenue Transits to Others	-	2,345	2,345
Total Non-Program Transactions	<u>8,263,584</u>	<u>122,655</u>	<u>8,386,239</u>
Total Expenditures	<u>106,392,382</u>	<u>26,859,163</u>	<u>133,251,545</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,000,893</u>	<u>(16,512,351)</u>	<u>3,488,542</u>
OTHER FINANCING SOURCES (USES)			
Sale of Land and Real Property	500	-	500
Sale of Equipment and Vehicle Sale	102,225	-	102,225
Other Financing Sources - Capital Lease	169,141	-	169,141
Transfer from Other Funds	3,932	16,512,351	16,516,283
Transfer to Other Funds	(16,551,633)	-	(16,551,633)
Total Other Financing Sources (Uses)	<u>(16,275,835)</u>	<u>16,512,351</u>	<u>236,516</u>
NET CHANGES IN FUND BALANCES	3,725,058	-	3,725,058
FUND BALANCES - BEGINNING OF YEAR	19,620,538	-	19,620,538
FUND BALANCES - END OF YEAR	<u>\$ 23,345,596</u>	<u>\$ -</u>	<u>\$ 23,345,596</u>

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Charter School Authorizer Operating Costs
For the Year Ended June 30, 2021

<u>Operating Activity</u>	<u>WUFAR Function Code</u>	<u>ALPS</u>	<u>Shapiro</u>
Services Provided			
Undifferentiated Curriculum	110000	\$ 101,990	\$ 1,200,101
Regular Curriculum	120000	217,665	209,304
Vocational Curriculum - Family and Consumer Education	135000	23,158	-
Physical Curriculum	143000	-	45,900
Gifted and Talented	172000	-	15,402
Counseling	213200	-	196
Health Services	214000	-	390
Other Pupil Services	219000	-	156
Curriculum Development	221200	3,670	-
Instructional Staff Training	221300	-	2,019
Non-Common School Funds	222000	-	8,632
School Building Administration	240000	89,357	209,397
Administrative Technology Services	295000	-	3,641
Total Services Provided		<u>\$ 435,840</u>	<u>\$ 1,695,138</u>

<u>Operating Activity</u>	<u>WUFAR Object Code</u>		
Employee Salaries	100	\$ 284,948	\$ 1,094,900
Employee Benefits	200	145,992	567,160
Purchased Services	300	43	4,503
Noncapital Objects	400	4,857	28,060
Other	900	-	515
Total Operating Activity		<u>\$ 435,840</u>	<u>\$ 1,695,138</u>

ADDITIONAL REPORTS

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Independent Auditor' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Education
Oshkosh Area School District
Oshkosh, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oshkosh Area School District (District) as of and for the year ended June 30, 2021, 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 16, 2021.

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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

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*.

To the Board of Education
Oshkosh Area School District

Oshkosh Area School District's Response to Finding

The District's response to the finding identified in our audit are described in the accompanying *schedule of findings and questioned costs* and *corrective action plan*. The District's response were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
November 16, 2021

FEDERAL AND STATE AWARDS SECTION

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Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by Uniform Guidance, State Single Audit Guidelines and the *Wisconsin Department of Public Instruction*

To the Board of Education
Oshkosh Area School District
Oshkosh, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Oshkosh Area School District's (District) compliance with the types of compliance requirements described in Uniform Guidance Compliance Supplement, State Single Audit Guidelines and the *Wisconsin Department of Public Instruction Audit Manual* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the accompanying summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, *State Single Audit Guidelines* and *Wisconsin Public School District Audit Manual*. Those standards, Uniform Guidance and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Oshkosh Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.



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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance, State Single Audit Guidelines and the *Wisconsin Public School District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 Uniform Guidance, State Single Audit Guidelines and the *Wisconsin Public School District Manual*. Accordingly, this report is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
November 16, 2021

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2020	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2021	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>CHILD NUTRITION CLUSTER</i>								
Donated Commodities 2020-21	10.555	WI DPI	2021-704179-DPI-NSL-547	\$ -	\$ 330,828	\$ -	\$ 330,828	\$ -
Summer Food Service Program - COVID-19	10.559	WI DPI	2020-704179-DPI-SFSP-566	(46,012)	46,012	-	-	-
Summer Food Service Program - COVID-19	10.559	WI DPI	2021-704179-DPI-SFSP-566	-	1,874,105	510,312	2,384,417	-
Total Summer Food Service Program				(46,012)	1,920,117	510,312	2,384,417	-
Total Child Nutrition Cluster				(46,012)	2,250,945	510,312	2,715,245	-
Child and Adult Care Food Program	10.558	WI DPI	2021-704179-DPI-ADC-551	-	347,247	44,572	391,819	-
Food Service Aid Special Milk Program	10.556	WI DPI	2021-704179-DPI-SMP-548	-	462	170	632	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2021-704179-DPI-FFVPJULPVT-595	-	61,033	16,810	77,843	-
Total U.S. Department of Agriculture and Child Nutrition Cluster				(46,012)	2,659,687	571,864	3,185,539	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2020-704179-TIA-141	(1,007,447)	1,007,447	-	-	-
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2020-704179-DPI-TIA-141	-	1,133,723	545,452	1,679,175	-
Total Title I Grants to Local Educational Agencies				(1,007,447)	2,141,170	545,452	1,679,175	-
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2020-704179-IDEA-FT-341	(437,620)	437,620	-	-	-
Special Education Grants to States	84.027	WI DPI	2021-704179-DPI-IDEA-FT-341	-	1,291,504	961,595	2,253,099	-
Special Education Grants to States - CCEIS	84.027	WI DPI	2021-704179-DPI-IDEA-FT-341	-	271,574	86,154	357,728	-
Special Education Preschool Grants	84.173A	WI DPI	2020-704179-IDEA-PS-347	(30,428)	30,428	-	-	-
Special Education Preschool Grants	84.173A	WI DPI	2021-704179-DPI-IDEA-P-347	-	85,733	25,541	111,274	-
Total Special Education Cluster				(468,048)	2,116,859	1,073,290	2,722,101	-
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2019-704179-DPI-CTE-400	(99,998)	99,998	-	-	-
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2020-704179-DPI-CTE-400	-	69,787	2,756	72,543	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2020-704179-CLC DPI-367	(175,426)	175,426	-	-	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2021-704179-DPI-T-IV-B-367	-	135,471	124,196	259,667	-
English Language Acquisition State Grants	84.365A	WI DPI	2020-704179-DPI-TIIIA-391	(24,204)	24,204	-	-	-
English Language Acquisition State Grants	84.365A	WI DPI	2021-704179-DPI-TIIIA-391	-	29,227	3,088	32,315	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2020-704179-DPI-TIIA-365	(301,188)	301,188	-	-	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2021-704179-DPI-TIIA-365	-	274,450	40,634	315,084	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2020-704179-DPI-TIV-A-381	(180)	180	-	-	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2021-704179-DPI-TIV-A-381	-	47,762	41,978	89,740	-
Elementary and Secondary School Emergency Relief - COVID-19	84.425D	WI DPI	2021-704179-DPI-ESSERF-160	-	933,457	556,139	1,489,596	-
Elementary and Secondary School Emergency Relief - COVID-19	84.425D	WI DPI	2021-704179-DPI-ESSERF-163	-	-	239,871	239,871	-
Total Education Stabilization Funds				-	933,457	796,010	1,729,467	-
Total U.S. Department of Education				(2,076,491)	6,349,179	2,627,404	6,900,092	-

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended June 30, 2021

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2020	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2021	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF JUSTICE								
Public Safety Partnership and Community Policing Grants	16.710	WI DOJ	O-COPS-2021-89002	-	34,696	322,754	357,450	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>Refugee and Entrant Assistance State Administered Programs</i>								
Administered Programs								
Refugee School Impact Grant	93.566	WI DCF	7041	(32,121)	32,121	-	-	-
Refugee School Impact Grant	93.566	WI DCF	7041	-	26,128	-	26,128	-
Refugee Youth Mentoring	93.566	WI DCF	7051	(7,804)	7,804	-	-	-
Refugee Youth Mentoring	93.566	WI DCF	7051	-	24,884	-	24,884	-
<i>Total Refugee and Entrant Assistance State Administered Programs</i>				<u>(39,925)</u>	<u>90,937</u>	<u>-</u>	<u>51,012</u>	<u>-</u>
Immunization Cooperative Agreements	93.268	WI DHS	435100-G21-VACCINECO-49	-	-	26,308	26,308	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	WI DHS	435100-G21-VACCINECO-49	-	-	5,470	5,470	-
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	442404100	-	1,441,060	15,329	1,456,389	-
Total U.S. Department of Health and Human Services				<u>(39,925)</u>	<u>1,531,997</u>	<u>47,107</u>	<u>1,539,179</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE				<u>\$ (2,162,428)</u>	<u>\$ 10,575,559</u>	<u>\$ 3,569,129</u>	<u>\$ 11,982,260</u>	<u>\$ -</u>
Reconciliation to the basic financial statements:								
Governmental Funds								
Federal Sources							<u>\$ 11,982,260</u>	

OSHKOSH AREA SCHOOL DISTRICT

Schedule of State Financial Assistance
For the Year Ended June 30, 2021

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/2020	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2021	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	704179-100	\$ -	\$ 7,029,812	\$ -	\$ 7,029,812	\$ -
State School Lunch Aid	255.102	Direct Program	704179-107	-	34,917	-	34,917	-
Common School Fund Library Aid	255.103	Direct Program	704179-104	-	421,750	-	421,750	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	704179-111	-	53,815	-	53,815	-
General Transportation Aid	255.107	Direct Program	704179-102	-	93,104	-	93,104	-
WI School Day Milk Program	255.115	Direct Program	704179-109	-	22,107	-	22,107	-
Equalization Aids	255.201	Direct Program	704179-116	(976,574)	63,730,093	1,021,766	63,775,285	-
Aid for School Mental Health Programs	255.227	Direct Program	704179-176	-	65,598	-	65,598	-
Supplemental Per Pupil Aid	255.245	Direct Program	704179-181	-	29,246	-	29,246	-
School Based Mental Health Services	255.297	Direct Program	704179-177	(77,400)	114,358	38,042	75,000	-
State School Breakfast Aid SSBA	255.344	Direct Program	704179-108	-	18,470	-	18,470	-
State Tuition Payments General	255.401	Direct Program	704179-159	-	2,913	-	2,913	-
State Tuition Payments Spec Education	255.401	Direct Program	704179-159	-	4,501	-	4,501	-
Early College Credit Program	255.445	Direct Program	704179-178	-	1,453	-	1,453	-
SAGE (Student Achievement Guarantee Education)	255.504	Direct Program	704179-160	-	870,190	-	870,190	-
Educator Effective Evaluation System	255.940	Direct Program	704179-154	-	68,160	-	68,160	-
Per Pupil Aid	255.945	Direct Program	704179-113	-	7,141,008	-	7,141,008	-
Career and Technical Education Incentive Grants	255.950	Direct Program	704179-171	-	31,108	-	31,108	-
Assessments of Reading Readiness	255.956	Direct Program	704179-166	-	15,892	-	15,892	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	704179-168	-	87,000	-	87,000	-
Total Wisconsin Department of Public Instruction				<u>(1,053,974)</u>	<u>79,835,495</u>	<u>1,059,808</u>	<u>79,841,329</u>	<u>-</u>
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
Youth Apprenticeship & Coordinated Services	445.112	CESA #6	N/A	-	8,500	-	8,500	-
WISCONSIN DEPARTMENT OF JUSTICE								
School Safety Grant	455.206	Direct Program	2020-SSI-01-13431	(85,875)	85,875	-	-	-
School Safety Grant	455.206	Direct Program	2021-SSI-01-13431	-	151,006	-	151,006	-
Total Wisconsin Department of Justice				<u>(85,875)</u>	<u>236,881</u>	<u>-</u>	<u>151,006</u>	<u>-</u>
TOTAL STATE PROGRAMS				<u>\$ (1,139,849)</u>	<u>\$ 80,080,876</u>	<u>\$ 1,059,808</u>	<u>\$ 80,000,835</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds

State sources

\$ 80,695,689

Intermediate sources

8,500

Business-Type Funds

Less: State sources not considered state financial assistance

State tax exempt aid

(686,319)

Payment in lieu of taxes and other revenues

(16,255)

Noneaidable Reimbursements

(780)

Total expenditures of state awards

\$ 80,000,835

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Oshkosh Area School District under programs of the federal and state governments for the year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State Single Audit Guidelines*. Because the schedules present only a select portion of operations of the District, they are not intended to, and do not, present the financial position and change in net position of the District.

Note 2 – Summary of Significant Accounting Policies

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

Oshkosh Area School District has not elected to use the 10 percent *de minimis* indirect cost rate as allowable under the Uniform Guidance.

Note 3 – Special Education and School Age Parents Program

2020 - 2021 eligible costs under the State Special Education Program are \$25,342,099.

Note 4 – Oversight Agencies

The District's federal oversight agency is the U.S. Department of Education. The District's state cognizant agency is the Wisconsin Department of Public Instruction.

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weakness identified?	No
Significant deficiency identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Name of Federal Program
	<i>Special Education Cluster (IDEA)</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.010A	Title I Grant to Local Educational Agencies
	<i>Education Stabilization Funds</i>
84.425D	Elementary and Secondary School Emergency Relief
	<i>Medicaid Cluster</i>
93.778	Medical Assistance Program

Dollar threshold used to distinguish
between Type A and Type B
Programs

\$750,000

Auditee qualified as a low-risk auditee?

No

State Awards

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines or the Wisconsin Department of Public Instruction Audit Manual?	No

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2021

Section I – Summary of Auditors’ Results (Continued)

Identification of state programs with required procedures

State I.D. Number	Name of State Program
255.101	Special Education and School Age Parents
255.107	Pupil Transportation
255.201	General Equalization

Section II - Financial Statement Findings

Finding No.

2021-001 Financial Reporting

**Prior Year
Audit Finding:** 2020-001

Condition: During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Cause: Management does not have the training and expertise to prepare the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Effect: Although the auditors are preparing the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation: We recommend that management continues to make this decision on a cost/benefit basis.

**Management’s
Response:** Due to limited staffing the District will continue to contract with an outside audit firm to complete the statements. Management reviews the financial statements and compares to the District’s financial records for completeness and accuracy and accepts responsibility for those financial statements.

**Responsible
Official:** Kelly Handy, Controller

**Anticipated
Completion Date:** This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2021

Section III - Federal Award Findings

There were no findings for federal awards.

Section IV - State Award Findings

There were no findings for state awards.

Section V - Other Issues

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Was a management letter or other document conveying audit documents issued as a result of this audit? | Yes |

OSHKOSH AREA SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Financial Statement Finding

2020-001 – Financial Reporting – See corrective action plan for finding 2021-001.

Corrective Action Plan

Financial Statement Findings

2021-001 – Financial Reporting – The District is aware that its staff does not have a process to prepare financial statements and related notes in accordance with GAAP. The District will continue to make this decision on a cost/benefit basis and have auditors assist in preparing the financial statements and related notes. Management does review the financial statements and compares to the District’s financial records for completeness and accuracy and accepts responsibility for those financial statements.

Responsible Official – Kelly Handy – Controller

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

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