

OSHKOSH AREA SCHOOL DISTRICT

Annual Financial Report

June 30, 2023

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oshkosh Area School District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

To the Board of Education
Oshkosh Area School District

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedule of changes in total pension liability and related ratios – supplemental pension, schedule of changes in net OPEB liability, fiduciary net position and related ratios – other post-employment benefits – single-employer plan, schedule of employer contributions – other post-employment benefits – single-employer plan, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits – cost-sharing plan, and the schedule of revenues, expenditures and changes in fund balance - budget and actual – general fund on pages 46 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, combining schedule of internal general and special education funds – revenues, and expenditures and changes in fund balances, schedule of expenditures of federal awards and schedule of state financial assistance, 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, State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, issued by the Wisconsin Department of Public Instruction are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining 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, and expenditures and changes in fund balances, and 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
November 30, 2023

FINANCIAL STATEMENTS

OSHKOSH AREA SCHOOL DISTRICT

District-Wide Statement of Net Position

As of June 30, 2023

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 75,562,340
Receivables:	
Taxes	13,167,891
Accounts	2,988,498
Due from Other Governments	15,309,438
Inventory	146,777
Prepaid Items	185,137
Total Current Assets	<u>107,360,081</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	57,320,423
Depreciable, net	91,626,546
Total Noncurrent Assets	<u>148,946,969</u>
TOTAL ASSETS	<u>256,307,050</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	76,922,554
Deferred Outflows Related to Stipend Pension	41,619
Deferred Outflows Related to Other Post-Employment Benefits - Single Employer	3,291,481
Deferred Outflows Related to Other Post-Employment Benefits - Cost Sharing	414,905
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>80,670,559</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	7,726,885
Accrued Interest Payable	1,020,034
Accrued Liabilities	10,421,927
Due to Other Governments	706
Unearned Revenue	15,653
Self-Insurance Deposits Payable	3,808,343
Health and Dental Benefits Claims Payable	5,076,056
Current Portion of Lease Obligations	65,916
Current Portion of Long-Term Obligations	4,246,090
Total Current Liabilities	<u>32,381,610</u>
Noncurrent Liabilities	
Noncurrent Portion of Lease Obligations	62,576
Noncurrent Portion of Long-Term Obligations	125,100,654
Net Pension Liability	21,279,122
Supplemental Pension Liability	720,968
Other Postemployment Benefits - Single Employer Liability	44,377,891
Other Postemployment Benefits - Cost Sharing Liability	1,051,947
Total Noncurrent Liabilities	<u>192,593,158</u>
TOTAL LIABILITIES	<u>224,974,768</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	44,574,176
Deferred Inflows Related to Stipend Pension	98,676
Deferred Inflows Related to Other Post-Employment Benefits - Single Employer	36,479,580
Deferred Inflows Related to Other Post-Employment Benefits - Cost Sharing	856,032
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>82,008,464</u>
NET POSITION	
Net Investment in Capital Assets	56,047,692
Restricted	26,421,122
Unrestricted (Deficit)	<u>(52,474,437)</u>
TOTAL NET POSITION	<u>\$ 29,994,377</u>

See Accompanying Notes

OSHKOSH AREA SCHOOL DISTRICT

District-Wide Statement of Activities

For the Year Ended June 30, 2023

		Program Revenues		Net (Expense)
		Charges For	Operating	Revenue and
	Expenses	Services	Grants and	Changes in Net
			Contributions	Governmental
				Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 92,057,008	\$ 738,069	\$ 29,411,497	\$ (61,907,442)
Support Services	58,703,756	756,230	13,979,714	(43,967,812)
Community Services	1,654,628	756,954	3,927	(893,747)
Interest and Fiscal Charges	3,722,297	-	-	(3,722,297)
Depreciation - Unallocated	6,720,820	-	-	(6,720,820)
Non-Program Transactions	9,606,736	1,939,676	-	(7,667,060)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 172,465,245	\$ 4,190,929	\$ 43,395,138	(124,879,178)
GENERAL REVENUES				
Property Taxes				65,483,013
State and Federal Aids not Restricted				
to Specific Functions				68,951,026
Interest and Investment Earnings				1,713,061
Miscellaneous				603,194
Total General Revenues				136,750,294
CHANGE IN NET POSITION				11,871,116
NET POSITON - BEGINNING OF YEAR				18,123,261
NET DEFICIT - END OF YEAR				\$ 29,994,377

See Accompanying Notes

OSHKOSH AREA SCHOOL DISTRICT

Balance Sheet

Governmental Funds

As of June 30, 2023

	General	Referendum Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 13,615,361	\$ -	\$ 47,298,925	\$ 14,648,054	\$ 75,562,340
Receivables:					
Taxes	9,066,942	4,100,949	-	-	13,167,891
Accounts	2,979,832	-	-	8,666	2,988,498
Due from Other Funds	2,960,019	-	-	-	2,960,019
Due from Other Governments	14,924,837	-	-	384,601	15,309,438
Inventory	-	-	-	146,777	146,777
Prepaid Items	185,137	-	-	-	185,137
TOTAL ASSETS	<u>\$ 43,732,128</u>	<u>\$ 4,100,949</u>	<u>\$ 47,298,925</u>	<u>\$ 15,188,098</u>	<u>\$ 110,320,100</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,118,018	\$ -	\$ 5,118,173	\$ 490,694	\$ 7,726,885
Accrued Liabilities	10,183,818	-	-	238,109	10,421,927
Due to Other Funds	-	2,960,019	-	-	2,960,019
Due to Other Governments	-	-	-	706	706
Self-Insurance Deposits Payable	3,808,343	-	-	-	3,808,343
Health and Dental Benefit Claims Payable	5,076,056	-	-	-	5,076,056
Unearned Revenue	4,311	-	-	11,342	15,653
Total Liabilities	<u>21,190,546</u>	<u>2,960,019</u>	<u>5,118,173</u>	<u>740,851</u>	<u>30,009,589</u>
Fund Balances					
Nonspendable:					
Prepaid Items and Inventory	185,137	-	-	146,777	331,914
Restricted					
Donor Specified Projects	-	-	-	2,034,071	2,034,071
Debt Service	-	1,140,930	-	554,748	1,695,678
Capital Projects	-	-	42,180,752	8,313,477	50,494,229
Food Service	-	-	-	2,023,210	2,023,210
Community Services	-	-	-	1,374,964	1,374,964
Unspent Common School Library	57,790	-	-	-	57,790
Assigned					
Self-Insurance	1,500,000	-	-	-	1,500,000
Unassigned	20,798,655	-	-	-	20,798,655
Total Fund Balances	<u>22,541,582</u>	<u>1,140,930</u>	<u>42,180,752</u>	<u>14,447,247</u>	<u>80,310,511</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,732,128</u>	<u>\$ 4,100,949</u>	<u>\$ 47,298,925</u>	<u>\$ 15,188,098</u>	<u>\$ 110,320,100</u>

OSHKOSH AREA SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position
As of June 30, 2023

Total Fund Balances - Governmental Funds		\$ 80,310,511
<i>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:</i>		
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 Assets	\$ 244,146,344	
Governmental Accumulated Depreciation	<u>(95,199,375)</u>	148,946,969
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	76,922,554	
Deferred Inflows of Resources Related to Pension - Cost-Sharing Plan	(44,574,176)	
Deferred Outflows of Resources Related to Pension - Single-Employer Plan	41,619	
Deferred Inflows of Resources Related to Pension - Single Employer Plan	(98,676)	
Deferred Outflows of Resources Related to OPEB - Single-Employer Plan	3,291,481	
Deferred Inflows of Resources Related to OPEB - Single-Employer Plan	(36,479,580)	
Deferred Outflows of Resources Related to OPEB - Cost-Sharing Plan	414,905	
Deferred Inflows of Resources Related to OPEB - Cost-Sharing Plan	<u>(856,032)</u>	(1,337,905)
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	(125,275,000)	
Lease Liability	(128,492)	
Bond Premium	(3,685,654)	
Compensated Absences	(386,090)	
Accrued Interest on General Obligation Debt	(1,020,034)	
Net Pension Liability	(21,279,122)	
Supplemental Pension Liability	(720,968)	
Other Post-Employment Benefits - Singler Employer Liability	(44,377,891)	
Other Post-Employment Benefits - Cost Sharing Liability	<u>(1,051,947)</u>	(197,925,198)
Total Net Position - Governmental Activities		<u>\$ 29,994,377</u>

OSHKOSH AREA SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Referendum Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 40,003,158	\$ 19,725,000	\$ -	\$ 5,754,855	\$ 65,483,013
Other Local Sources	921,239	157,064	665,550	4,658,552	6,402,405
Interdistrict Sources	1,869,191	-	-	100,951	1,970,142
Intermediate Sources	160,220	-	-	-	160,220
State Sources	85,851,509	-	-	96,508	85,948,017
Federal Sources	19,813,761	-	-	3,955,645	23,769,406
Other Sources	602,371	-	-	823	603,194
Total Revenues	149,221,449	19,882,064	665,550	14,567,334	184,336,397
EXPENDITURES					
Instruction					
Regular Instruction	58,144,501	-	5,184	2,488,848	60,638,533
Vocational Instruction	3,219,094	-	-	-	3,219,094
Physical Instruction	3,735,623	-	-	-	3,735,623
Special Instruction	22,076,117	-	-	-	22,076,117
Other Instruction	2,034,420	-	-	96,168	2,130,588
Total Instruction	89,209,755	-	5,184	2,585,016	91,799,955
Support Services					
Pupil Services	9,010,247	-	-	-	9,010,247
Instructional Staff Services	8,945,441	-	-	296,235	9,241,676
General Administration Services	716,567	-	-	521,163	1,237,730
School Building Administration Services	7,176,827	-	-	400	7,177,227
Business Services	1,689,258	-	-	-	1,689,258
Operations and Maintenance	10,827,574	-	43,088,614	3,583,770	57,499,958
Pupil Transportation	3,982,113	-	-	24,391	4,006,504
Food Services	-	-	-	4,935,003	4,935,003
Internal Services	97,024	-	-	-	97,024
Central Services	1,257,678	-	-	880,007	2,137,685
Insurance	941,321	-	-	-	941,321
Other Support Services	5,183,034	-	-	15,737	5,198,771
Community Services	-	-	-	1,622,769	1,622,769
Debt Service					
Principal	72,025	11,065,000	-	2,099,754	13,236,779
Payment to Escrow Agent - In-Substance	-	9,622,040	-	-	9,622,040
Defeasance	-	2,719,127	-	-	2,719,127
Interest and fiscal charges	235,930	-	-	1,081,922	1,317,852
Total Support Services	50,135,039	23,406,167	43,088,614	15,061,151	131,690,971
Non-Program Transactions					
General Tuition Payments	4,547,221	-	-	-	4,547,221
Non-Program Payments	277,439	-	-	-	277,439
Voucher Payments	4,759,988	-	-	-	4,759,988
Adjustments and Refunds	28,293	-	-	-	28,293
Total Non-Program Transactions	9,612,941	-	-	-	9,612,941
Total Expenditures	148,957,735	23,406,167	43,093,798	17,646,167	233,103,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	263,714	(3,524,103)	(42,428,248)	(3,078,833)	(48,767,470)
OTHER FINANCING SOURCE (USE)					
Lease Proceeds	6,205	-	-	-	6,205
Transfer from Other Funds	-	-	-	1,740,950	1,740,950
Transfer to Other Funds	(1,740,950)	-	-	-	(1,740,950)
Total Other Financing Source (Use)	(1,734,745)	-	-	1,740,950	6,205
NET CHANGES IN FUND BALANCES	(1,471,031)	(3,524,103)	(42,428,248)	(1,337,883)	(48,761,265)
FUND BALANCES - BEGINNING OF YEAR	24,012,613	4,665,033	84,609,000	15,785,130	129,071,776
FUND BALANCES - END OF YEAR	\$ 22,541,582	\$ 1,140,930	\$ 42,180,752	\$ 14,447,247	\$ 80,310,511

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, 2023

Net Change in Fund Balances - Total Governmental Funds		\$ (48,761,265)
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	\$ 45,022,814	
Depreciation expense reported in the statement of activities	<u>(6,720,820)</u>	
Amount by which capital outlays are more than depreciation and disposals in the current period.		38,301,994
Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.		(5,757,762)
Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financial statements.		4,911,762
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	398,587	
Compensated absences benefits earned in current year	<u>(386,090)</u>	
Amounts paid are more than amounts earned by		12,497
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	22,700,000	
Lease liability	<u>105,726</u>	
		22,805,726
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:		
Lease liability		(6,205)
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	4,036,979	
The amount of interest accrued during the current period	<u>(3,943,565)</u>	
Interest paid is more than interest accrued by:		93,414
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>270,955</u>
Change in Net Position - Governmental Activities		<u>\$ 11,871,116</u>

OSHKOSH AREA SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Fund

As of June 30, 2023

	Employee Benefit Trust
ASSETS	
Cash and Investments	\$ 14,956,137
Accounts Receivable	9,164
Total Assets	14,965,301
LIABILITIES	
Accounts Payable	2,927,218
NET POSITION	
Restricted	\$ 12,038,083

See Accompanying Notes

OSHKOSH AREA SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Employee Benefit Trust
ADDITIONS	
Contributions to Employee-Benefit Trust	\$ 4,080,455
Interest	194,009
Total Additions	<u>4,274,464</u>
DEDUCTIONS	
Payments from Employee-Benefit Trust	<u>2,948,489</u>
CHANGE IN NET POSITION	1,325,975
NET POSITION - BEGINNING	<u>10,712,108</u>
NET POSITION - ENDING	<u><u>\$ 12,038,083</u></u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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 are financed through taxes, intergovernmental revenues and other nonexchange transactions.

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 fund, even though the latter is 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, 2023

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, 2023

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 to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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.

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 breakfast and 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.

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

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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, 2023

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 2022 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2023 . 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 Items

Prepaid items 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.

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.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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
Right-to-use assets	5 - 25

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, 2023.

The District's policy allows for early retirement benefits. These benefits include the payment of health and dental premiums for teachers 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, 2023 .

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, 2023

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

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

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

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

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, 2023

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 following:

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits
- OPEB Expense (Revenue)

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

Leases

The District follows GASB Statement No. 87 which requires recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflow 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 financing 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.

Subscription-Based Information Technology Agreements

The District adopted GASB Statement No. 96 for the year ended June 30, 2023, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAS). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the District to report a right-to-use subscription assets and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended June 30, 2023.

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.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.”

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 accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the report amounts of revenues and expenditures during the reporting period. Actual results may differ from these estimates.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in the prior year financial statements have been classified 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.

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 \$90,518,477 on June 30, 2023 as summarized below:

Deposits With Financial Institutions	\$ 2,594,318
Investments	
Fixed Interest Annuities	8,997,753
Bond Mutual Funds	5,870,137
Equity Mutual Funds	97,241
Wisconsin Investment Series Cooperative	72,959,028
Total	<u>\$ 90,518,477</u>

Reconciliation to the basic financial statements:

Government-Wide Statement Net Position	
Cash and Investments	\$ 75,562,340
Fiduciary Fund Statement of Net Position	
Employee Benefit Trust	14,956,137
Total	<u>\$ 90,518,477</u>

At June 30, 2023 the bank balance of cash was \$2,764,852. 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.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 2 – Cash and Investments (Continued)

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.

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, 2023 the District had the following deposits:

Fully Insured Deposits	\$ 821,770
Collateralized with Letter of Credit	1,943,082
Total	<u>\$ 2,764,852</u>

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.

Investment Type	Total Amount	Exempt from	AAA	Aa	Not Rated
WISC Investments					
Cash management series	\$ 4,094,094	\$ -	\$ 4,094,094	\$ -	\$ -
Investment series	22,288,628	-	22,288,628	-	-
Fixed Income	46,576,306	-	-	-	46,576,306
Totals	<u>\$ 72,959,028</u>	<u>\$ -</u>	<u>\$ 26,382,722</u>	<u>\$ -</u>	<u>\$ 46,576,306</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, 2023, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 2 – Cash and Investments (Continued)

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$72,959,028 at year-end consisting of \$4,094,094 invested in Cash management series, \$22,288,628 invested in the Investment Series, and \$46,576,306 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 Cooperate 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 \$14,956,137 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 by AUL's general account assets. AUL bears the investment risk for the AUL Fixed Interest Account values and for paying interest.

Note 3 – Interfund Receivables, Payables, and Transfers

Interfund receivables and payables balances in the fund financial statements on June 30, 2023, were as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	General Fund	<u>\$ 2,960,019</u>	Year End Cash Flow Timing

Interfund transfers between individual funds of the District as reported in the fund financial statements for the year ended June 30, 2023 are detailed below:

<u>Fund Transferred To:</u>	<u>Fund Transferred From:</u>	<u>Amount</u>	<u>Purpose</u>
Cooperative Program Fund	General Fund	\$ 40,950	Surplus transfer to cover deficit
Long-Term Capital Improvement	General Fund	1,700,000	Surplus transfer for future capital needs
		<u>\$ 1,740,950</u>	

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 4 – Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 1,878,708	\$ 251,161	\$ -	\$ 2,129,869
Construction in Progress	13,808,623	42,297,112	915,181	55,190,554
Total Capital Assets, Nondepreciable	<u>15,687,331</u>	<u>42,548,273</u>	<u>915,181</u>	<u>57,320,423</u>
Capital Assets, Depreciable				
Buildings and Improvements	178,080,415	2,822,185	-	180,902,600
Machinery and Equipment	4,850,052	561,332	(15,266)	5,396,118
Right-to-Use Leased Equipment	520,998	6,205	-	527,203
Total Capital Assets, Depreciable	<u>183,451,465</u>	<u>3,389,722</u>	<u>(15,266)</u>	<u>186,825,921</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(85,021,748)	(6,140,186)	-	(91,161,934)
Machinery and Equipment	(3,172,388)	(516,737)	15,266	(3,673,859)
Right-to-Use Leased Equipment	(299,685)	(63,897)	-	(363,582)
Total Accumulated Depreciation	<u>(88,493,821)</u>	<u>(6,720,820)</u>	<u>15,266</u>	<u>(95,199,375)</u>
Total Capital Assets, Depreciable, Net	<u>94,957,644</u>	<u>(3,331,098)</u>	<u>-</u>	<u>91,626,546</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 110,644,975</u>	<u>\$ 39,217,175</u>	<u>\$ 915,181</u>	<u>\$ 148,946,969</u>

Governmental activities depreciation expense for fiscal year ended June 30, 2023 was \$6,720,820 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, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Taxable Revolving Line-of-Credit	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -

Total interest paid for the year on short-term debt totaled \$227,556.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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, 2023:

	Beginning Balances	Additions	Reductions	Ending Balances	Amount Due Within One Year
General Obligations					
General Obligation					
Bonds	\$ 105,975,000	\$ -	\$ 4,140,000	\$ 101,835,000	\$ 3,860,000
Notes	42,000,000	-	18,560,000	23,440,000	-
Total General Obligation Debt	147,975,000	-	22,700,000	125,275,000	3,860,000
Debt Premium	3,956,609	-	270,955	3,685,654	-
Lease Liability	228,013	6,205	105,726	128,492	65,916
Compensated Absences	398,587	386,090	398,587	386,090	386,090
Total Governmental Activities Long-Term Liabilities	<u>\$ 152,558,209</u>	<u>\$ 392,295</u>	<u>\$ 23,475,268</u>	<u>\$ 129,475,236</u>	<u>\$ 4,312,006</u>

Total interest paid on long-term debt for the year ended June 30, 2023 was \$3,861,022.

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, 2023, is comprised of the following individual issues:

	Date of Issuance	Date of Maturity	Interest Rate	Original Indebtedness	Balances 6/30/2023
General obligation bonds	10/15/12	10/15/32	3.00%	\$ 21,545,000	\$ 2,270,000
General obligation bonds	04/15/15	04/15/35	3.00 - 5.00%	14,500,000	11,990,000
General obligation bonds	04/04/17	04/04/37	2.00 - 5.00%	17,300,000	11,715,000
General obligation bonds	09/02/20	03/01/32	0.25 - 1.45%	15,830,000	15,360,000
General obligation bonds	03/01/21	03/01/41	1.625 - 3.00%	65,000,000	60,500,000
General obligation notes	04/20/22	03/01/27	2.625 - 7.25%	42,000,000	23,440,000
Total					<u>\$ 125,275,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2023 follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 3,860,000	\$ 2,990,492	\$ 6,850,492
2025	3,985,000	2,860,072	6,845,072
2026	4,860,000	2,727,892	7,587,892
2027	28,420,000	2,611,654	31,031,654
2028	5,090,000	1,872,960	6,962,960
2029-2033	27,435,000	7,597,513	35,032,513
2034-2038	31,535,000	3,975,686	35,510,686
2039-2041	20,090,000	808,900	20,898,900
Total	<u>\$ 125,275,000</u>	<u>\$ 25,445,169</u>	<u>\$ 150,720,169</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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, 2023 was \$601,815,033.

Equalized valuation of the District		\$ 7,264,143,894
Statutory limitation percentage		<u>10%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		726,414,389
Total outstanding general obligation debt applicable to debt limitation	\$ 125,275,000	
Less: Amounts available for financing general obligation debt		
Debt service fund net of accrued interest	<u>675,644</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>124,599,356</u>
Legal margin for new debt		<u><u>\$ 601,815,033</u></u>

Debt Defeasance

The District used available financial resources of \$9,622,040 to retire \$9,560,000 of the April 20, 2022 General Obligation Promissory Notes, resulting in savings of \$939,760. The bonds were called on May 30, 2023.

Lease Obligations

The District has lease agreements for vehicles at interest rates ranging from 1% - 5%. Interest paid on these agreements for the year was \$10,442. The payment requirements at June 30, 2023 are:

	Year Ending June 30,	
2024		\$ 72,246
2025		41,519
2026		22,530
2027		4,172
2028		<u>83</u>
Total Minimum Lease Payments		140,550
Less: Amounts Representing Interest		<u>(12,058)</u>
Present Value of Net Minimum Lease Payments		128,492
Less: Current Maturities		<u>(65,916)</u>
Long-Term Lease Obligation		<u><u>\$ 62,576</u></u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 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, 2023

Note 7 – Defined Benefit Pension Plans (Continued)**1. Wisconsin Retirement System (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:

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

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,999,465 in contributions from the District.

Contribution rates as of June 30, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%

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

At June 30, 2023, the District reported a liability of \$21,279,122 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.40166690%, which was a decrease of 0.00284293% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$10,819,771.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans (Continued)**1. Wisconsin Retirement System (Continued)*****Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2023, 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 pension plan - projected and actual experiences	\$ 33,891,049	\$ 44,525,228
Changes in assumptions	4,184,356	-
Net differences between pension plan - projected and actual earnings on pension plan investments	36,148,315	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	120,809	48,948
Employer contributions subsequent to the measurement date	2,578,025	-
Total	\$ 76,922,554	\$ 44,574,176

The \$2,578,025 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, 2024. 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
2024	\$ 1,236,599
2025	6,169,383
2026	6,338,883
2027	16,025,488
	\$ 29,770,353

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (Continued)

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

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

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 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 Returns¹ As of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115% *	7.4%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7%	5.1%

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase To Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 70,624,713	\$ 21,279,122	\$ 12,666,412

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, 2023 is \$619,754 for June payroll.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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:

All Administrators. 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 one-time lump sum retirement payment into a 403(b) account equal to the yearly amount multiplied by years of administrative service, not to exceed maximum percentage of salary:

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 one-time lump sum retirement payment into a 403 (b) account equal to the yearly amount (\$500) multiplied by years of administrative service, not to exceed maximum percentage of salary (66%).

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. Payment is made to the employee's 403(b) account. Amounts in excess of amount allowable by law shall be contributed to a 403(b) account in subsequent years. Those born on or after May 1, 1968 are not eligible for this benefit (those age 49 and under as of May 1, 2017).

Sick Leave Benefit. For Paraprofessionals hired prior to May 1, 2017, unused accumulated sick leave may be applied toward health insurance at the rate \$5/day (effective 1/1/2011) for each month's premium up to a maximum of 120 days (180 days for those with 20+ years of service). This benefit terminates in 8 years or when the employee reaches the age of Medicare eligibility.

Food Staff hired prior to May 1, 2017, will be provided with \$4/month for every day in the sick leave bank up to 180 days until age 62. The District will then pay the same portion of health insurance as active employees receive from age 62 until age 65.

Support Staff hired prior to May 1, 2017, will be credited with \$4 per month for every day of unused sick leave up to a maximum of 200 days until age 62. These funds may be used towards the payment of health and dental insurance premiums. The maximum District's share is 90% of the monthly premium. Upon reaching age 62, the health and dental premiums will be provided in a manner consistent with those who retired at age 62.

The sick leave benefit on behalf of these employees provides a conversion of sick leave accumulated at the time of retirement to a dollar health premium contribution amount that over the span of the benefit is much greater in value than a conversion at an employee's salary. Therefore, this should not be accounted for as compensated absence benefit, but rather as an OPEB, and has been included in the separate OPEB valuation.

In addition, the Implicit Rate Subsidy incurred on behalf of these employees assumed to convert and use their accumulated sick leave dollars to receive continued health coverage on the District's group health plan was calculated and included in the separate OPEB valuation.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans (Continued)**2. Supplemental Pension Plan (Continued)**

Employees Covered by Benefit Terms. Membership of the Plan at June 30, 2022 used for the latest actuarial valuation:

	<u>Active Employees</u>
Administrators	43
Administrative Staff	4
Teachers	95
Other	2
	<u>144</u>

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.

Actuarial Assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of salary
Actuarial assumptions:	
Discount rate	4.25%
Inflation	2.50%

Mortality rates are the same as those used in the December 31, 2020 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 4.25 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

	<u>Amount</u>
Balance at 6/30/2022	\$ 745,370
Changes for the year:	
Service cost	46,514
Interest	24,886
Differences between expected and actual experiences	29,723
Changes of assumptions or other input	(10,325)
Benefit payments	(115,200)
Net changes	<u>(24,402)</u>
Balance at 6/30/2023	<u>\$ 720,968</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 – Defined Benefit Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate. The following presents the District's total pension liability calculated using the discount rate of 4.25 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1–percentage-point lower (3.25 percent) or 1–percentage-point higher (5.25 percent) than the current rate:

	1% Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	1% Increase To Discount Rate (5.25%)
Total Pension Liability	\$ 744,019	\$ 720,968	\$ 697,834

Total Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a liability of \$720,968. For the year ended June 30, 2023, the District recognized pension expense of \$58,530 for the supplemental pension plan. At June 30, 2023, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between pension plan - expected and actual experiences	\$ 41,619	\$ 53,901
Changes in assumptions	-	44,775
Total	\$ 41,619	\$ 98,676

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (12,870)
2025	(12,869)
2026	(16,244)
2027	(16,241)
2028	(1,605)
Thereafter	2,772
	\$ (57,057)

Payables to the Pension Plan. At June 30, 2023, the District reported no outstanding contributions to the plans required.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 8 – Post-Employment Benefits Other than Pension Benefits

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, 2023, the following employees were covered by the benefit terms:

	<u>Active Employees</u>	<u>Retirees</u>	<u>Total</u>
Administrators	39	3	42
Administrative Staff	4	1	5
Teachers	765	105	870
Support Staff	113	8	121
Paraprofessionals	168	14	182
Food Service	11	1	12
Other	22	-	22
	<u>1,122</u>	<u>132</u>	<u>1,254</u>

Investments. Rate of Return. For the year ended June 30, 2023, the annual money-weighted rate of return, net of investment expense, was 1.65%

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.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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

1. Single-employer Defined Postemployment Benefit Plan (Continued)

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 50,448,595
Plan Fiduciary Net Position - Ending (b)	6,070,704
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 44,377,891</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.03%
--	--------

Contributions

The District provide medical, dental, and prescription drug coverage for active and retired employees through the District's insured plans.

Net OPEB Liability. The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.25%
Inflation:	2.50%
Investment rate of return:	4.25%
Healthcare cost trend rates:	7.00% decreasing to 6.50%, then by 0.10% per year down to 4.50%, and level thereafter

Mortality rates are the same as those used in the December 2020 Wisconsin Retirement Systems' annual report.

The actuarial assumptions used in the June 30, 2022 valuation were based on the "Wisconsin Retirement System 2018-2020 Experience Study".

The long-term expected rate of return on OPEB plan investments was valued at 4.25%. 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, 2023

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

1. Single-employer Defined Postemployment Benefit Plan (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 4.25%. 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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2022	<u>\$ 57,983,246</u>	<u>\$ 5,764,117</u>	<u>\$ 52,219,129</u>
Changes for the year:			
Service Cost	2,366,886	-	2,366,886
Interest	2,032,487	-	2,032,487
Changes of Benefit Terms	(2,409,816)	-	(2,409,816)
Differences Between Expected and Actual Experience	(5,501,515)	-	(5,501,515)
Changes of Assumptions or Other Input	(1,831,404)	-	(1,831,404)
Contributions - Employer	-	2,745,000	(2,745,000)
Net Investment Income	-	97,386	(97,386)
Benefit Payments	(2,191,289)	(2,191,289)	-
Administrative Expense	-	(344,510)	344,510
Net Changes	<u>(7,534,651)</u>	<u>306,587</u>	<u>(7,841,238)</u>
Balances at 6/30/2023	<u>\$ 50,448,595</u>	<u>\$ 6,070,704</u>	<u>\$ 44,377,891</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 4.25 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 (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB Liability	<u>\$ 53,242,946</u>	<u>\$ 50,448,595</u>	<u>\$ 47,754,053</u>
Fiduciary Net Position	<u>6,070,704</u>	<u>6,070,704</u>	<u>6,070,704</u>
Net OPEB Liability	<u>\$ 47,172,242</u>	<u>\$ 44,377,891</u>	<u>\$ 41,683,349</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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

1. Single-employer Defined Postemployment Benefit Plan (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 7.00 percent decreasing to 4.5 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 (6.00 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.00% decreasing to 5.5 percent) than the current rate:

	1% Decrease (6.00% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.5%)	1% Increase (8.00% decreasing to 5.5%)
Total OPEB Liability	\$ 46,278,738	\$ 50,448,595	\$ 55,145,665
Fiduciary Net Position	6,070,704	6,070,704	6,070,704
Net OPEB Liability	<u>\$ 40,208,034</u>	<u>\$ 44,377,891</u>	<u>\$ 49,074,961</u>

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available on pages 10-11.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized a reduction in OPEB expense of \$2,241,710. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 3,131,016	\$ 7,923,858
Changes in assumptions	-	28,555,722
Net differences between projected and actual earnings on plan investments	160,465	-
Total	<u>\$ 3,291,481</u>	<u>\$ 36,479,580</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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

1. Single-employer Defined Postemployment Benefit Plan (Continued)

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (4,385,976)
2025	(4,396,888)
2026	(4,417,438)
2027	(4,424,785)
2028	(4,446,388)
Thereafter	(11,116,624)
	<u>\$ (33,188,099)</u>

2. Local Retiree Life Insurance Fund

General Information About the Other Post-Employment Benefits 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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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

Employers are required to pay the following contributions based on 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, 2023 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, 2023

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)**2. Local Retiree Life Insurance Fund (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, 2022 are as listed below:

**Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2022**

<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 LRLIF recognized \$6,617 in contributions from the employer.

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

At June 30, 2023, the District reported a liability of \$1,051,947 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. 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, 2022, the District's proportion was 0.27611400%, which was a decrease of 0.02295100% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$80,780.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 8 – Post-Employment Benefits Other than Pension Benefits (Continued)**2. Local Retiree Life Insurance Fund (Continued)**

At June 30, 2023, 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	\$ -	\$ 102,949
Changes in assumptions	377,942	620,937
Net differences between projected and actual earnings on plan investments	19,739	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,137	132,146
Employer contributions subsequent to the measurement date	3,087	-
Total	\$ 414,905	\$ 856,032

The \$3,087 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, 2024. Other 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 (Inflows) of Resources
2024	\$ (45,938)
2025	(53,567)
2026	(36,521)
2027	(79,062)
2028	(119,851)
Thereafter	(109,275)
	\$ (444,214)

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
*Based on the Bond Buyers GO index.	

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

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

2. Local Retiree Life Insurance Fund (Continued)

Single Discount Rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 3.76 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 (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
District's Proportionate Share of the Net OPEB Liability	\$ 1,434,218	\$ 1,051,947	\$ 758,980

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, 2023.

Note 9 – Dental Self-Insurance

As of January 1, 2021, the District implemented a self-funded dental insurance plan. At June 30, 2023, the District has reported a liability of \$149,753, which represents reported and unreported claims which were incurred on or before June 30, 2023, 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 \$74,858 and claims which were not yet reported to either Plan administrator or the District were \$74,895. 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
2021 - 2022	138,122	1,246,163	1,305,896	78,389
2022 - 2023	78,389	1,324,077	1,252,713	149,753

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 10 – Health Self-Insurance

As of January 1, 2022, the District implemented a self-funded health insurance plan. At June 30, 2023, the District has reported a liability of \$4,926,303, which represents reported and unreported claims which were incurred on or before June 30, 2023, 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 \$993,769 and claims which were not yet reported to either Plan administrator or the District were \$3,932,534. 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
2021 - 2022	\$ -	\$ 9,411,438	\$ 6,505,572	\$ 2,905,866
2022 - 2023	2,905,866	23,291,544	21,271,107	4,926,303

Note 11 – Fund Equity**District-Wide Statements**

Net position of the governmental activities reported on the district-wide statement of net position at June 30, 2023 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 148,946,969
Less: Related Long-Term Debt Outstanding	(125,275,000)
Less: Debt Premium	(3,685,654)
Less: Lease Liability	(128,492)
Less: Capital Accounts Payable	(5,118,173)
Unspent Debt Proceeds	41,308,042
Net Investment in Capital Assets	<u>56,047,692</u>
Restricted for	
Pension Benefits - Cost Sharing Plan	11,069,256
Future Debt Service	675,644
Capital Projects	9,186,187
Food Service	2,023,210
Donor Intentions	2,034,071
Community Services	1,374,964
Unspent Common School Library	57,790
Total Restricted	<u>26,421,122</u>
Unrestricted (Deficit)	<u>(52,474,437)</u>
Total District-Wide Net Position	<u>\$ 29,994,377</u>

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 – 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.

Note 13 – Contingencies and Commitments

The District has committed to several capital projects with vendors, including a new middle school for \$37.5 million, a new elementary school for \$35.3 million, district-wide infrastructure for \$4.3 million and security and safety projects for \$7.1 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, 2023, are not likely to have a material adverse impact on the District's financial position.

Note 14 – 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.

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
12/31/2022	0.40166690%	\$ 21,279,122	\$ 72,487,148	29.36%	95.72%
12/31/2021	0.40450983%	(32,604,236)	69,646,558	46.81%	106.02%
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
6/30/2023	\$ 4,999,465	\$ 4,999,465	\$ -	\$ 75,162,015	6.65%
6/30/2022	4,653,623	4,653,623	-	70,247,649	6.62%
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 Total Pension Liability and Related Ratios - Supplemental Pension
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service Cost	\$ 46,514	\$ 51,710	\$ 33,867	\$ 32,564	\$ 34,932	\$ 50,036	\$ 54,441
Interest	24,886	18,005	37,943	41,284	42,915	37,754	38,953
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	29,723	-	(94,329)	-	56,497	-	-
Changes of Assumptions or Other Input	(10,325)	(30,626)	(8,148)	-	(32,878)	-	-
Benefit Payments	(115,200)	(136,200)	(117,000)	(198,953)	(525)	(157,625)	(147,836)
Net Change in Total Pension Liability	(24,402)	(97,111)	(147,667)	(125,105)	100,941	(69,835)	(54,442)
Total Pension Liability - Beginning	745,370	842,481	990,148	1,115,253	1,014,312	1,084,147	1,138,589
Total Pension Liability - Ending	\$ 720,968	\$ 745,370	\$ 842,481	\$ 990,148	\$ 1,115,253	\$ 1,014,312	\$ 1,084,147
 Covered Employee Payroll	 \$ 12,027,888	 \$ 14,229,823	 \$ 14,229,823	 \$ 15,472,422	 \$ 17,816,688	 \$ 17,113,998	 \$ 19,580,529
 Total Pension Liability as Percentage of Covered Employee Payroll	 5.99%	 5.24%	 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 - Single-Employer Plan
Last 10 Measurement Years*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 2,366,886	\$ 2,774,734	\$ 2,823,084	\$ 2,714,504	\$ 2,829,493	\$ 3,724,181	\$ 3,857,622
Interest	2,032,487	1,363,820	3,641,144	3,707,642	3,601,442	299,504	300,858
Changes of Benefit Terms	(2,409,816)	-	(2,322,477)	-	-	-	-
Differences Between Expected and Actual Experience	(5,501,515)	-	(4,246,421)	-	4,870,466	-	-
Changes of Assumptions or Other Input	(1,831,404)	(4,132,744)	(27,031,833)	-	(7,278,413)	-	-
Benefit Payments	(2,191,289)	(2,498,880)	(4,008,490)	(4,182,113)	(4,256,208)	(4,605,706)	(4,348,977)
Net Change in Total OPEB Liability	(7,534,651)	(2,493,070)	(31,144,993)	2,240,033	(233,220)	(582,021)	(190,497)
Total OPEB Liability - Beginning	57,983,246	60,476,316	91,621,309	89,381,276	89,614,496	90,196,517	90,387,014
Total OPEB Liability - Ending (a)	\$ 50,448,595	\$ 57,983,246	\$ 60,476,316	\$ 91,621,309	\$ 89,381,276	\$ 89,614,496	\$ 90,196,517
Fiduciary Net Position							
Contributions - Employer	\$ 2,745,000	\$ 2,806,295	\$ 4,248,522	\$ 4,659,734	\$ 4,554,723	\$ 4,664,674	\$ 5,012,901
Net Investment Income	97,386	87,527	103,092	122,478	83,722	99,309	101,981
Benefit Payments	(2,191,289)	(2,498,880)	(4,008,321)	(4,182,113)	(4,256,208)	(4,176,547)	(3,918,722)
Administrative Expense	(344,510)	-	-	-	-	-	-
Net Change in Fiduciary Net Position	306,587	394,942	343,293	600,099	382,237	587,436	1,196,160
Fiduciary Net Position - Beginning	5,764,117	5,369,175	5,025,882	4,425,783	4,043,546	3,456,110	2,259,950
Fiduciary Net Position - Ending (b)	\$ 6,070,704	\$ 5,764,117	\$ 5,369,175	\$ 5,025,882	\$ 4,425,783	\$ 4,043,546	\$ 3,456,110
Net OPEB Liability (a) - (b)	\$ 44,377,891	\$ 52,219,129	\$ 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	 12.03%	 9.94%	 8.88%	 5.49%	 4.95%	 4.51%	 3.83%
 Covered-Employee Payroll	 \$ 70,501,342	 \$ 65,592,060	 \$ 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	 62.95%	 79.61%	 84.01%	 125.16%	 126.61%	 133.37%	 134.45%
 Annual Money-Weighted Rate of Return, Net of Investment Expenses	 1.65%	 1.57%	 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 - Single-Employer Plan
Last 10 Measurement Years*

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 4,302,875	\$ 5,312,920	\$ 5,312,920	\$ 9,338,338	\$ 9,457,926	\$ 8,966,876	\$ 8,896,798
Contributions in Relation to the Actuarially Determined Contribution	2,745,000	2,806,295	4,248,522	4,659,734	4,554,723	5,093,833	8,896,798
Contribution Deficiency (Excess)	<u>\$ 1,557,875</u>	<u>\$ 2,506,625</u>	<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	\$ 70,501,342	\$ 65,592,060	\$ 65,592,060	\$ 69,188,726	\$ 67,102,377	\$ 64,158,597	\$ 64,513,685
Contributions as a percentage of Covered-Employee Payroll	3.89%	4.28%	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 Market Value	Entry Age Normal - Level % of Salary Market Value	Entry Age Normal - Level % of Salary Market Value	Entry Age Normal - Level % of Salary Market Value	Entry Age Normal - Level % of Salary Market Value	Entry Age Normal - Level % of Salary Market Value	Entry Age Normal - Level % of Salary Market Value
Asset Valuation Method	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	18 Year Level Dollar	19 Year Level Dollar	20 Year Level Dollar	21 Year Level Dollar
Amortization Method	4.25%	3.50%	2.25%	4.00%	4.00%	3.50%	3.50%
Discount Rate	2.50%	2.50%	2.00%	N/A	N/A	N/A	0.00%
Inflation	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Valuation Date							

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 Total OPEB Liability
12/31/2022	0.27611400%	\$ 1,051,947	\$ 12,064,000	8.72%	38.81%
12/31/2021	0.29906500%	1,767,585	11,972,000	14.76%	29.57%
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
6/30/2023	\$ 6,617	\$ 6,617	\$ -	\$ 12,928,000	0.05%
6/30/2022	5,531	5,531	-	12,000,000	0.05%
6/30/2021	6,077	6,077	-	11,804,500	0.05%
6/30/2020	5,921	5,921	-	11,424,500	0.05%
6/30/2019	6,141	6,141	-	11,197,000	0.05%
6/30/2018	6,052	6,052	-	12,226,485	0.05%

*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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
REVENUES				
Property Taxes	\$ 39,246,549	\$ 39,983,557	\$ 40,003,158	\$ 19,601
Other Local Sources	569,929	569,929	893,161	323,232
Interdistrict Sources	1,640,110	1,640,110	1,778,910	138,800
Intermediate Sources	-	11,343	106,900	95,557
State Sources	77,919,526	77,802,947	78,123,986	321,039
Federal Sources	9,298,167	16,485,725	16,497,647	11,922
Other Sources	345,000	345,000	602,371	257,371
Total Revenues	129,019,281	136,838,611	138,006,133	1,167,522
EXPENDITURES				
Instruction				
Regular Instruction	56,142,676	59,767,107	58,144,501	1,622,606
Vocational Instruction	3,017,374	3,114,712	3,219,094	(104,382)
Physical Instruction	3,408,273	3,456,540	3,735,623	(279,083)
Other Instruction	1,711,387	1,755,680	2,034,420	(278,740)
Total Instruction	64,279,710	68,094,039	67,133,638	960,401
Support Services				
Pupil Services	4,992,584	5,361,198	5,515,271	(154,073)
Instructional Staff Services	5,712,507	6,535,250	6,819,363	(284,113)
General Administration Services	602,544	762,874	716,567	46,307
School Building Administration Services	7,200,971	6,901,268	7,176,827	(275,559)
Business Administration	1,491,547	1,750,292	1,656,286	94,006
Operations and Maintenance	12,062,000	12,062,000	10,783,243	1,278,757
Pupil Transportation	1,399,090	1,399,090	1,922,238	(523,148)
Internal Services	98,921	98,921	97,024	1,897
Central Services	666,870	1,172,657	1,244,133	(71,476)
Insurance	832,530	861,647	941,321	(79,674)
Other Support Services	4,116,107	3,875,142	5,180,271	(1,305,129)
Debt Service				
Principal	90,000	65,000	72,025	(7,025)
Interest and fiscal charges	327,000	256,750	235,930	20,820
Total Support Services	39,592,671	41,102,089	42,360,499	(1,258,410)
Non-Program Transactions				
General Tuition Payments	4,281,852	4,446,000	4,517,221	(71,221)
Voucher Payments	4,150,000	4,744,834	4,759,988	(15,154)
Adjustments and Refunds	25,000	95,000	28,293	66,707
Total Non-Program Transactions	8,456,852	9,285,834	9,305,502	(19,668)
Total Expenditures	112,329,233	118,481,962	118,799,639	(317,677)
EXCESS OF REVENUES OVER EXPENDITURES	16,690,048	18,356,649	19,206,494	849,845
OTHER FINANCING SOURCES (USE)				
Sale of Land and Real Property	5,500	5,500	-	(5,500)
Lease Proceeds	-	-	6,205	6,205
Transfer to Other Funds	(16,695,548)	(18,390,895)	(20,683,730)	(2,292,835)
Transfer from Other Funds	-	28,604	-	(28,604)
Total Other Financing Sources (Use)	(16,690,048)	(18,356,791)	(20,677,525)	(2,315,234)
NET CHANGE IN FUND BALANCE	-	(142)	(1,471,031)	(1,465,389)
FUND BALANCE - BEGINNING OF YEAR	24,012,613	24,012,613	24,012,613	-
FUND BALANCE - END OF YEAR	\$ 24,012,613	\$ 24,012,471	\$ 22,541,582	\$ (1,465,389)

OSHKOSH AREA SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

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, 2023:

Individual Function	Excess Expenditures
Vocational Instruction	\$ 104,382
Physical Instruction	279,083
Other Instruction	278,740
Pupil Services	154,073
Instructional Staff Services	284,113
School Building Administration Services	275,559
Pupil Transportation	523,148
Central Services	71,476
Insurance	79,674
Other Support Services	1,305,129
Principal	7,025
General Tuition Payments	71,221
Voucher Payments	15,154

OSHKOSH AREA SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2023

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 Revenue" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 138,006,133
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>11,215,316</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	<u><u>\$ 149,221,449</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Use" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 139,483,369
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	30,158,096
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	<u>(18,942,780)</u>
Total Expenditures and Other Financing use as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u><u>\$ 150,698,685</u></u>

OSHKOSH AREA SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2023

Defined Benefit Pension Plans

Wisconsin Retirement Plan

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

Changes of assumptions.

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

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

Single Employer Plan

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

Changes of assumptions. The discount rate change from 3.50% to 4.25% based on all years of projected payments discounted at the municipal bond rate.

Post-Employment Benefits Other Than Pension Benefits

Local Retiree Life Insurance Fund

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

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

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

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

Single Employer Plan

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

Changes of assumptions. The discount rate change from 3.50% to 4.25% based on all years of projected payments discounted at the municipal bond rate.

SUPPLEMENTARY INFORMATION

OSHKOSH AREA SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2023

	Special Revenue				Debt Service	Capital Projects	Total Nonmajor
	Special Revenue Trust	Food Service	Community Services	Coop Program	Non-Referendum Debt Service	Long-term Capital Improvement	Governmental Funds
ASSETS							
Cash and Investments	\$ 2,068,742	\$ 1,852,140	\$ 1,524,297	\$ 74,774	\$ 554,748	\$ 8,573,353	\$ 14,648,054
Accounts Receivables	-	8,666	-	-	-	-	8,666
Due From Other Governments	-	375,805	-	8,796	-	-	384,601
Inventory	-	146,777	-	-	-	-	146,777
Total Assets	<u>\$ 2,068,742</u>	<u>\$ 2,383,388</u>	<u>\$ 1,524,297</u>	<u>\$ 83,570</u>	<u>\$ 554,748</u>	<u>\$ 8,573,353</u>	<u>\$ 15,188,098</u>
LIABILITIES							
Accounts Payable	\$ 15,045	\$ 101,792	\$ 36,410	\$ 77,571	\$ -	\$ 259,876	\$ 490,694
Accrued Liabilities	19,626	100,267	112,217	5,999	-	-	238,109
Due to Other Governments	-	-	706	-	-	-	706
Unearned Revenue	-	11,342	-	-	-	-	11,342
Total Liabilities	<u>34,671</u>	<u>213,401</u>	<u>149,333</u>	<u>83,570</u>	<u>-</u>	<u>259,876</u>	<u>740,851</u>
FUND BALANCES							
Nonspendable:							
Inventory	-	146,777	-	-	-	-	146,777
Restricted	2,034,071	2,023,210	1,374,964	-	554,748	8,313,477	14,300,470
Total Fund Balances	<u>2,034,071</u>	<u>2,169,987</u>	<u>1,374,964</u>	<u>-</u>	<u>554,748</u>	<u>8,313,477</u>	<u>14,447,247</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,068,742</u>	<u>\$ 2,383,388</u>	<u>\$ 1,524,297</u>	<u>\$ 83,570</u>	<u>\$ 554,748</u>	<u>\$ 8,573,353</u>	<u>\$ 15,188,098</u>

OSHKOSH AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue				Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Services	Coop Program	Non-Referendum Debt Service	Long-term Capital Improvement	
REVENUES							
Property Taxes	\$ -	\$ -	\$ 2,600,000	\$ -	\$ 3,154,855	\$ -	\$ 5,754,855
Other Local Sources	2,750,822	756,230	756,954	-	21,418	373,128	4,658,552
Interdistrict Sources	-	-	-	100,951	-	-	100,951
State Sources	-	92,581	3,927	-	-	-	96,508
Federal Sources	-	3,955,645	-	-	-	-	3,955,645
Other Sources	-	22	801	-	-	-	823
Total Revenues	2,750,822	4,804,478	3,361,682	100,951	3,176,273	373,128	14,567,334
EXPENDITURES							
Instruction:							
General Instruction	2,488,418	-	-	430	-	-	2,488,848
Other Instruction	96,168	-	-	-	-	-	96,168
Total Instruction	2,584,586	-	-	430	-	-	2,585,016
Support Services:							
Instructional Staff Services	165,025	-	-	131,210	-	-	296,235
General Administration Services	-	-	521,163	-	-	-	521,163
School Building Administration Services	400	-	-	-	-	-	400
Operations and Maintenance	56,812	-	447,624	-	-	3,079,334	3,583,770
Pupil Transportation	6,722	-	17,669	-	-	-	24,391
Food Services	-	4,935,003	-	-	-	-	4,935,003
Central Services	87,366	-	782,380	10,261	-	-	880,007
Other Support Services	-	2,997	12,740	-	-	-	15,737
Community Services	-	-	1,622,769	-	-	-	1,622,769
Debt Service							
Principal	-	21,348	3,406	-	2,075,000	-	2,099,754
Interest and Fiscal Charges	-	1,768	299	-	1,079,855	-	1,081,922
Total Support Services	316,325	4,961,116	3,408,050	141,471	3,154,855	3,079,334	15,061,151
Total Expenditures	2,900,911	4,961,116	3,408,050	141,901	3,154,855	3,079,334	17,646,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(150,089)	(156,638)	(46,368)	(40,950)	21,418	(2,706,206)	(3,078,833)
OTHER FINANCING SOURCE							
Transfer from General Fund	-	-	-	40,950	-	1,700,000	1,740,950
NET CHANGES IN FUND BALANCES	(150,089)	(156,638)	(46,368)	-	21,418	(1,006,206)	(1,337,883)
FUND BALANCES - BEGINNING OF YEAR	2,184,160	2,326,625	1,421,332	-	533,330	9,319,683	15,785,130
FUND BALANCES - END OF YEAR	\$ 2,034,071	\$ 2,169,987	\$ 1,374,964	\$ -	\$ 554,748	\$ 8,313,477	\$ 14,447,247

OSHKOSH AREA SCHOOL DISTRICT

Combining Schedule of Internal General and Special Education Funds - Balance Sheet
As of June 30, 2023

	<u>General</u>	<u>Special Education</u>	<u>Total General Fund</u>
ASSETS			
Cash and Investments	\$ 11,991,240	\$ 1,624,121	\$ 13,615,361
Receivables:			
Taxes	9,066,942	-	9,066,942
Accounts	2,978,528	1,304	2,979,832
Due from Other Fund	2,960,019	-	2,960,019
Due from Other Governments	13,747,567	1,177,270	14,924,837
Prepaid Items	183,347	1,790	185,137
TOTAL ASSETS	<u>\$ 40,927,643</u>	<u>\$ 2,804,485</u>	<u>\$ 43,732,128</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,987,531	\$ 130,487	\$ 2,118,018
Accrued Liabilities	7,509,820	2,673,998	10,183,818
Self-Insurance Deposits Payable	3,808,343	-	3,808,343
Health and Dental Benefit Claims Payable	5,076,056	-	5,076,056
Unearned Revenue	4,311	-	4,311
Total Liabilities	<u>18,386,061</u>	<u>2,804,485</u>	<u>21,190,546</u>
Fund Balances			
Nonspendable:			
Prepaid Items	183,347	1,790	185,137
Restricted	57,790	-	57,790
Assigned	1,500,000	-	1,500,000
Unassigned	20,800,445	(1,790)	20,798,655
Total Fund Balances	<u>22,541,582</u>	<u>-</u>	<u>22,541,582</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,927,643</u>	<u>\$ 2,804,485</u>	<u>\$ 43,732,128</u>

OSHKOSH AREA SCHOOL DISTRICT
Combining Schedule of Internal General and Special Education Funds -
Revenues, Expenditures and Change in Fund Balance
For the Year Ended June 30, 2023

	General	Special Education	Total General Fund
REVENUES			
Property Taxes	\$ 40,003,158	\$ -	\$ 40,003,158
Other Local Sources	893,161	28,078	921,239
Interdistrict Sources	1,778,910	90,281	1,869,191
Intermediate Sources	106,900	53,320	160,220
State Sources	78,123,986	7,727,523	85,851,509
Federal Sources	16,497,647	3,316,114	19,813,761
Other Sources	602,371	-	602,371
Total Revenues	<u>138,006,133</u>	<u>11,215,316</u>	<u>149,221,449</u>
EXPENDITURES			
Instruction			
Regular Instruction	58,144,501	-	58,144,501
Vocational Instruction	3,219,094	-	3,219,094
Physical Instruction	3,735,623	-	3,735,623
Special Instruction	-	22,076,117	22,076,117
Other Instruction	2,034,420	-	2,034,420
Total Instruction	<u>67,133,638</u>	<u>22,076,117</u>	<u>89,209,755</u>
Support Services			
Pupil Services	5,515,271	3,494,976	9,010,247
Instructional Staff Services	6,819,363	2,126,078	8,945,441
General Administration Services	716,567	-	716,567
School Building Administration Services	7,176,827	-	7,176,827
Business Services	1,656,286	32,972	1,689,258
Operations and Maintenance	10,783,243	44,331	10,827,574
Pupil Transportation	1,922,238	2,059,875	3,982,113
Internal Services	97,024	-	97,024
Central Services	1,244,133	13,545	1,257,678
Insurance	941,321	-	941,321
Other Support Services	5,180,271	2,763	5,183,034
Debt Service			
Principal	72,025	-	72,025
Interest and Fiscal Charges	235,930	-	235,930
Total Support Services	<u>42,360,499</u>	<u>7,774,540</u>	<u>50,135,039</u>
Non-Program Transactions			
General Tuition Payments	4,517,221	30,000	4,547,221
Non-Program Payments	-	277,439	277,439
Voucher Payments	4,759,988	-	4,759,988
Adjustments and Refunds	28,293	-	28,293
Total Non-Program Transactions	<u>9,305,502</u>	<u>307,439</u>	<u>9,612,941</u>
Total Expenditures	<u>118,799,639</u>	<u>30,158,096</u>	<u>148,957,735</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,206,494</u>	<u>(18,942,780)</u>	<u>263,714</u>
OTHER FINANCING SOURCE (USE)			
Lease Proceeds	6,205	-	6,205
Transfer from Other Funds	-	18,942,780	18,942,780
Transfer to Other Funds	(20,683,730)	-	(20,683,730)
Total Other Financing Source (Use)	<u>(20,677,525)</u>	<u>18,942,780</u>	<u>(1,734,745)</u>
NET CHANGE IN FUND BALANCE	(1,471,031)	-	(1,471,031)
FUND BALANCE - BEGINNING OF YEAR	<u>24,012,613</u>	<u>-</u>	<u>24,012,613</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 22,541,582</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,541,582</u></u>

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OTHER INFORMATION

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Charter School Authorizer Services and Costs
For the Year Ended June 30, 2023

Operating Activity	WUFAR Function Code	ALPS	Shapiro
Services Provided			
Undifferentiated Curriculum	110000	\$ 112,935	\$ 1,320,626
Regular Curriculum	120000	236,416	133,294
Vocational Curriculum - Family and Consumer Education	135000	26,031	-
Vocational Curriculum - Technology Education	136000	15,561	-
Physical Curriculum	143000	20,466	37,646
Co-Curricular Activities	161000	-	434
Gifted and Talented	172100	-	36,112
Counseling	213200	-	419
Nursing	214200	-	494
Other Pupil Services	219000	-	33,163
Non-Common School Funds	222000	-	2,391
School Building Administration	240000	61,601	208,664
Pupil Transportation	256000	-	176
Central Services	260000	39	658
Administrative Technology Services	295000	-	3,588
		<u>\$ 473,049</u>	<u>\$ 1,777,665</u>

Operating Activity	WUFAR Object Code		
Employee Salaries	100	\$ 312,953	\$ 1,125,127
Employee Benefits	200	158,040	630,425
Purchased Services	300	39	4,422
Non-Capital Objects	400	2,017	17,691
Total		<u>\$ 473,049</u>	<u>\$ 1,777,665</u>

ADDITIONAL REPORTS

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

To the School Board
Oshkosh Area School District
Oshkosh, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oshkosh Area School District (District), as of and for the year ended June 30, 2023, 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 30, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

To the Board of Education
Oshkosh Area School District

District's Response to Findings

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

Purpose of This Report

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
November 30, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE 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

Opinion on Each Major Federal and State Program

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, *State Single Audit Guidelines* and the *Wisconsin School District 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, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, we:

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

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

Report on Internal Control over Compliance

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

To the Board of Education
Oshkosh Area School District

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

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

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
November 30, 2023

FEDERAL AND STATE AWARDS SECTION

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2022	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2023	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>CHILD NUTRITION CLUSTER</i>								
School Breakfast Program	10.553	WI DPI	2023-704179-DPI-SB-546	\$ -	\$ 80,906	\$ 155	\$ 81,061	\$ -
School Breakfast Program	10.553	WI DPI	2023-704179-DPI-SB-SEVERE-546	-	712,917	7,737	720,654	-
<i>Total School Breakfast Program</i>				-	793,823	7,892	801,715	-
National School Lunch Program	10.555	WI DPI	2022-704179-DPI-NSL-547	(816)	816	-	-	-
National School Lunch Program	10.555	WI DPI	2023-704179-DPI-NSL-547	-	2,090,434	311,220	2,401,654	-
Donated Commodities	10.555	WI DPI	2023-704179-DPI-NSL-547	-	375,839	-	375,839	-
<i>Total National School Lunch Program</i>				(816)	2,467,089	311,220	2,777,493	-
Food Service Aid Special Milk Program	10.556	WI DPI	2023-704179-DPI-SMP-548	-	1,651	13	1,664	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2022-704179-DPI-FFVP-OCT-376	(1,932)	1,932	-	-	-
Fresh Fruit and Vegetable Program October - Public	10.582	WI DPI	2023-704179-DPI-FFVPOCTPUB-376	-	115,301	13,992	129,293	-
Fresh Fruit and Vegetable Program July - Public	10.582	WI DPI	2023-704179-DPI-FFVP-July-594	-	22,023	-	22,023	-
Summer Food Service Program	10.559	WI DPI	2022-704179-DPI-SFSP-566	(30,171)	30,171	-	-	-
Summer Food Service Program	10.559	WI DPI	2023-704179-DPI-SFSP-566	-	7,522	40,652	48,174	-
<i>Total Child Nutrition Cluster</i>				(32,919)	3,439,512	373,769	3,780,362	-
Child and Adult Care Food Program	10.558	WI DPI	2022-704179-DPI-ADC-551	(1,321)	1,321	-	-	-
Child and Adult Care Food Program	10.558	WI DPI	2023-704179-DPI-AR-551	-	173,248	2,035	175,283	-
Total U.S. Department of Agriculture				(34,240)	3,614,081	375,804	3,955,645	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2022-704179-DPI-TIA-141	(1,960,942)	1,960,942	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2023-704179-DPI-TI-A-141	-	-	1,593,971	1,593,971	-
<i>Total Title I Grants to Local Educational Agencies</i>				(1,960,942)	1,960,942	1,593,971	1,593,971	-
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2022-704179-DPI-FLOW-341	(1,756,807)	1,756,807	-	-	-
Special Education Grants to States	84.027	WI DPI	2023-704179-DPI-FLOW-341	-	1,041,461	986,313	2,027,774	-
Special Education Grants to States - CCEIS	84.027A	WI DPI	2022-704179-DPI-IDEA-FT-341	(298,808)	298,808	-	-	-
Special Education Grants to States - CCEIS	84.027A	WI DPI	2023-704179-DPI-FLOW-341	-	275,981	194,517	470,498	-
Special Education Grants to States	84.027	WI DPI	2022-704179-DPI-FLOW-344	(191,621)	191,621	-	-	-
Special Education Grants to States	84.027	WI DPI	2023-704179-DPI-FLOW-344	-	284,624	-	284,624	-
IDEA Discretionary	84.027	WI DPI	2022-704179-DPI-IDEA-FT-342	(2,701)	2,701	-	-	-
IDEA Discretionary	84.027	WI DPI	2023-704179-DPI-ES3-342	-	2,131	17,857	19,988	-
Special Education Preschool Grants	84.173	WI DPI	2022-704179-DPI-PRESCH-347	(153,408)	153,408	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2023-704179-DPI-PRESCH-347	-	-	172,972	172,972	-
<i>Total Special Education Cluster</i>				(2,403,345)	4,007,542	1,371,659	2,975,856	-
Carl Perkins CTE	84.048	CESA	2023-704179-DPI-CTE-400	-	77,788	-	77,788	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2022-704179-DPI-TIVB-367	(191,416)	191,416	-	-	-
Twenty-First Century Community Learning Centers	84.287	WI DPI	2023-704179-DPI-TIVB-367	-	-	239,453	239,453	-
English Language Acquisition State Grants	84.365A	WI DPI	2022-704179-DPI-TIIIA-391	(52,175)	52,175	-	-	-
English Language Acquisition State Grants	84.365A	WI DPI	2023-704179-DPI-TIIIA-391	-	61,694	18,421	80,115	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2022-704179-DPI-TIIA-365	(308,596)	308,596	-	-	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2023-704179-DPI-TIIA-365	-	186,817	111,272	298,089	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2022-704179-DPI-TIVA-381	(161,161)	161,161	-	-	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2023-704179-DPI-TIVA-381	-	67,877	192,525	260,402	-
Elementary and Secondary School Emergency Relief - COVID-19	84.425D	WI DPI	2023-704179-DPI-ESSERF-160	-	7,232	-	7,232	-
Elementary and Secondary School Emergency Relief II - ARP-ESSER	84.425D	WI DPI	2022-704179-DPI-ESSERFII-163	(3,679,601)	3,679,601	-	-	-
Elementary and Secondary School Emergency Relief II - ARP-ESSER	84.425D	WI DPI	2023-704179-DPI-ESSERFII-163	-	747,853	87,584	835,437	-
Elementary and Secondary School Emergency Relief III - ARP-ESSER	84.425U	WI DPI	2023-704179-DPI-ESSERFIII-165	-	-	10,723,943	10,723,943	-
Total U.S. Department of Education				(8,757,236)	11,510,694	14,338,828	17,092,286	-

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended June 30, 2023

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2022	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2023	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	CESA	Not Available	\$ -	\$ 4,724	\$ 16,717	\$ 21,441	\$ -
<i>Refugee and Entrant Assistance State Administered Programs</i>								
Administered Programs								
Refugee School Impact Grant	93.566	WI DCF	7041	-	34,530	16,316	50,846	-
Refugee Youth Mentoring	93.566	WI DCF	7051	-	16,037	5,532	21,569	-
<i>Total Refugee and Entrant Assistance State Administered Programs</i>				-	50,567	21,848	72,415	-
Immunization Community Outreach 2.0	93.268	WI DHS	435100-G22-VACCINECO-76	-	57,016	-	57,016	-
<i>MEDICAID CLUSTER</i>								
Medical Assistance Program	93.778	WI DHS	442404100	(61,389)	61,389	-	-	-
Medical Assistance Program	93.778	WI DHS	442404100	-	1,674,484	-	1,674,484	-
<i>Total Medicaid Cluster</i>				(61,389)	1,735,873	-	1,674,484	-
Total U.S. Department of Health and Human Services				(61,389)	1,843,456	38,565	1,825,356	-
TOTAL FEDERAL ASSISTANCE				<u>\$ (8,852,865)</u>	<u>\$ 16,968,231</u>	<u>\$ 14,753,197</u>	<u>\$ 22,873,287</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds	
Federal Sources	\$ 23,769,406
Intermediate Sources	99,229
Less: Federal Sources not considered federal financial assistance	(995,348)
Total expenditures of federal awards	<u>\$ 22,873,287</u>

OSHKOSH AREA SCHOOL DISTRICT

Schedule of State Financial Assistance
For the Year Ended June 30, 2023

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/2022	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2023	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	704179-100	\$ -	\$ 7,663,511	\$ -	\$ 7,663,511	\$ -
State School Lunch Aid	255.102	Direct Program	704179-107	-	36,089	-	36,089	-
Common School Fund Library Aid	255.103	Direct Program	704179-104	-	565,695	-	565,695	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	704179-111	-	48,058	-	48,058	-
General Transportation Aid	255.107	Direct Program	704179-102	-	84,588	-	84,588	-
WI School Day Milk Program	255.115	Direct Program	704179-109	-	35,579	-	35,579	-
Equalization Aids	255.201	Direct Program	704179-116	-	68,530,431	-	68,530,431	-
Aid for School Mental Health Programs	255.227	Direct Program	704179-176	-	143,122	-	143,122	-
School Based Mental Health Services	255.297	Direct Program	704179-177	(44,715)	44,715	-	-	-
State School Breakfast Aid SSBA	255.344	Direct Program	704179-108	-	20,913	-	20,913	-
State Tuition Payments General	255.401	Direct Program	704179-159	-	1,863	-	1,863	-
Early College Credit Program	255.445	Direct Program	704179-178	-	1,119	-	1,119	-
SAGE (Student Achievement Guarantee Education)	255.504	Direct Program	704179-160	-	1,007,753	-	1,007,753	-
Educator Effective Evaluation System	255.940	Direct Program	704179-154	-	68,560	-	68,560	-
Per Pupil Aid	255.945	Direct Program	704179-113	-	6,869,436	-	6,869,436	-
Career and Technical Education Incentive Grants	255.950	Direct Program	704179-171	-	41,266	-	41,266	-
Assessments of Reading Readiness	255.956	Direct Program	704179-166	-	13,703	-	13,703	-
Robotics Lead Participation	255.959	Direct Program	704179-167	-	3,927	-	3,927	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	704179-168	-	64,012	-	64,012	-
TOTAL STATE PROGRAMS				<u>\$ (44,715)</u>	<u>\$ 85,244,340</u>	<u>\$ -</u>	<u>\$ 85,199,625</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds

State sources

\$ 85,948,017

Less: State sources not considered state financial assistance

State tax exempt aid

(722,605)

Payment in lieu of taxes and other revenues

(24,565)

Nonaidable Reimbursements

(1,222)

Total expenditures of state awards

\$ 85,199,625

OSHKOSH AREA SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Year Ended June 30, 2023

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, 2023. 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

2022 - 2023 eligible costs under the State Special Education Program are \$27,469,211.

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, 2023

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
84.010	Title I Grant To Local Educational Agencies
84.425D	Education Stabilization Funds
84.425U	Elementary and Secondary School Emergency Relief Fund
	American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
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Auditee qualified as a low-risk auditee?	Yes
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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 <i>State Single Audit Guidelines</i> or the <i>Wisconsin School District Audit Manual</i> ?	No

OSHKOSH AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2023

Section I – Summary of Auditors’ Results (Continued)

Identification of state programs with required procedures

State I.D. Number	Name of State Program
255.201	General Equalization Cluster Aid
255.504	Achievement Gap Reduction
255.945	Per Pupil Aid

Section II - Financial Statement Findings

Finding No.

2023-001 Financial Reporting

**Prior Year
Audit Finding:** 2022-001

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, 2023

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, 2023

Financial Statement Finding

2022-001 – Financial Reporting – See corrective action plan for finding 2023-001.

Corrective Action Plan

Financial Statement Findings

2023-001 – 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.