

SCHOOL DISTRICT OF CORNELL, WISCONSIN  

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ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024

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SCHOOL DISTRICT OF CORNELL, WISCONSIN

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**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditor's Reports
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

## **INDEPENDENT AUDITOR'S REPORTS**

This section includes the opinions of the District's independent auditing firm.



**INDEPENDENT AUDITOR'S REPORT**

December 5, 2024

Members of the Board of Education  
School District of Cornell  
Cornell, Wisconsin

**Qualified and Unmodified Opinions**

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

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General	Unmodified
Community Service	Unmodified
Capital Improvements Trust	Unmodified

*Qualified Opinion on the Governmental Activities*

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the School District of Cornell, Wisconsin, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions*

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

**Basis for Qualified and Unmodified 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 Auditor’s 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.

*Matter Giving Rise to Qualified Opinion on the Governmental Activities*

Management did not have an actuarial valuation performed for the Retiree Benefits Plan in accordance with the requirements under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in which the effects of this on the governmental activities is not reasonable determinable. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

## **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.

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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Cornell, Wisconsin's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP





**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

December 5, 2024

Members of the Board of Education  
School District of Cornell  
Cornell, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Cornell (the District), Wisconsin, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 5, 2024.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**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*.

School District of Cornell, Wisconsin  
December 5, 2024

**Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Net Position**

**June 30, 2024**

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**See Following Page**

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Net Position**

**June 30, 2024**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 7,619,926
Receivables - Net of Allowances	
Taxes	544,827
Accounts	11,706
Due from Other Governments	360,287
Total Current Assets	<u>8,536,746</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	22,650
Depreciable/Amortizable	11,724,742
Accumulated Depreciation/Amortization	<u>(7,209,117)</u>
Total Capital Assets	4,538,275
Other Assets	
Net OPEB Asset - RBP	<u>181,418</u>
Total Noncurrent Assets	<u>4,719,693</u>
Total Assets	<u>13,256,439</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - WRS	2,209,579
Deferred Items - LRLIF	72,825
Total Deferred Outflows of Resources	<u>2,282,404</u>
Total Assets and Deferred Outflows of Resources	<u>15,538,843</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 10,460
Accrued Payroll	457,342
Due to Other Governments	42
Deferred Revenues	17,771
Current Portion of Long-Term Debt	8,523
Total Current Liabilities	<u>494,138</u>
Noncurrent Liabilities	
Compensated Absences	34,090
Net Pension Liability - WRS	249,907
Net OPEB Liability - LRLIF	169,516
Total Noncurrent Liabilities	<u>453,513</u>
Total Liabilities	<u>947,651</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - WRS	1,349,713
Deferred Items - LRLIF	89,110
Total Deferred Inflows of Resources	<u>1,438,823</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,386,474</u>
<b>NET POSITION</b>	
Investment in Capital Assets	4,538,275
Restricted	
Special Projects	291,468
Food Service	186,250
Community Service	37,437
Capital Projects	4,897,750
Unrestricted	<u>3,201,189</u>
Total Net Position	<u><u>13,152,369</u></u>

The notes to the financial statements are an integral part of this statement.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Activities**

**For the Fiscal Year Ended June 30, 2024**

	Expenses	Program Revenues			(Expenses)/
		Charges for Services	Operating Grants/ Contributions	Operating Grants/ Contributions	Revenues Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 3,543,023	361,762	1,786,835	—	(1,394,426)
Support Services	2,734,925	44,191	421,124	—	(2,269,610)
Community Services	100,328	—	100,729	—	401
Non-Program Transactions	962,928	—	—	—	(962,928)
Interest on Long-Term Debt	1,781	—	—	—	(1,781)
<b>Total Governmental Activities</b>	<b>7,342,985</b>	<b>405,953</b>	<b>2,308,688</b>	<b>—</b>	<b>(4,628,344)</b>
<b>General Revenues</b>					
<b>Taxes</b>					
Property Taxes					1,736,023
Property Taxes Levied for Specific Purposes					—
Other Taxes					797
<b>Federal and State - Unrestricted</b>					
General Aid					2,645,535
Investment Income					270,936
Miscellaneous					66,316
					<u>4,719,607</u>
Change in Net Position					91,263
Net Position - Beginning					<u>13,061,106</u>
Net Position - Ending					<u><u>13,152,369</u></u>

The notes to the financial statements are an integral part of this statement.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Balance Sheet - Governmental Funds**

**June 30, 2024**

	General	Special Revenue		Capital Projects Improvements	Trust	Nonmajor	Totals
		Community Service	Food Services				
<b>ASSETS</b>							
Cash and Investments	\$ 2,234,773	—	—	4,897,750	487,403		7,619,926
Receivables - Net of Allowances							
Taxes	544,827	—	—	—	—		544,827
Accounts	11,706	—	—	—	—		11,706
Due from Other Funds	62,674	—	—	—	—		62,674
Due from Other Governments	250,271	100,329	—	—	9,687		360,287
Total Assets	3,104,251	100,329	—	4,897,750	497,090		8,599,420
<b>LIABILITIES</b>							
Accounts Payable	8,641	218	—	—	1,601		10,460
Accrued Payroll	457,342	—	—	—	—		457,342
Due to Other Funds	—	62,674	—	—	—		62,674
Due to Other Governments	42	—	—	—	—		42
Deferred Revenues	—	—	—	—	17,771		17,771
Total Liabilities	466,025	62,892	—	—	19,372		548,289
<b>FUND BALANCES</b>							
Restricted	—	37,437	—	4,897,750	477,718		5,412,905
Unassigned	2,638,226	—	—	—	—		2,638,226
Total Fund Balances	2,638,226	37,437	—	4,897,750	477,718		8,051,131
Total Liabilities and Fund Balances	3,104,251	100,329	—	4,897,750	497,090		8,599,420

The notes to the financial statements are an integral part of this statement.



SCHOOL DISTRICT OF CORNELL, WISCONSIN

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2024

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<b>Total Governmental Fund Balances</b>	\$ 8,051,131
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	4,538,275
A net pension asset is not considered to represent a financial resources and therefore is not reported in the funds. Net OPEB Asset - RBP	181,418
Deferred Outflows/Inflows of Resources related to the OPEB and retirement plans not reported in the funds. Deferred Items - WRS	859,866
Deferred Items - LRLIF	(16,285)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(42,613)
Net Pension Liability - WRS	(249,907)
Net OPEB Liability - LRLIF	<u>(169,516)</u>
<b>Net Position of Governmental Activities</b>	<u><u>13,152,369</u></u>

The notes to the financial statements are an integral part of this statement.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended June 30, 2024**

	Special Revenue			Capital Projects	Nonmajor	Totals
	General	Community Service	Food Services	Capital Improvements Trust		
<b>Revenues</b>						
Local Sources						
Property Tax	\$ 1,736,023	—	—	—	—	1,736,023
Other Taxes	797	—	—	—	—	797
Investment Income	51,443	—	—	208,988	10,505	270,936
Other	5,670	400	—	—	155,687	161,757
Interdistrict Payments within Wisconsin	356,092	—	—	—	—	356,092
Intermediate Sources	134,840	—	—	—	—	134,840
State Sources	3,774,712	—	—	—	9,489	3,784,201
Federal Sources	522,818	100,329	—	—	300,139	923,286
Other Revenues	66,316	—	—	—	—	66,316
<b>Total Revenues</b>	<b>6,648,711</b>	<b>100,729</b>	<b>—</b>	<b>208,988</b>	<b>475,820</b>	<b>7,434,248</b>
<b>Expenditures</b>						
Instruction	3,502,712	—	—	—	97,998	3,600,710
Support Services	2,208,071	—	—	—	376,159	2,584,230
Community Services	—	100,328	—	—	—	100,328
Non-Program Transactions	956,153	—	—	—	6,775	962,928
Debt Service						
Principal Retirement	8,365	—	—	—	—	8,365
Interest and Fiscal Charges	1,781	—	—	—	—	1,781
<b>Total Expenditures</b>	<b>6,677,082</b>	<b>100,328</b>	<b>—</b>	<b>—</b>	<b>480,932</b>	<b>7,258,342</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,371)	401	—	208,988	(5,112)	175,906
<b>Other Financing Sources (Uses)</b>						
Disposal of Capital Assets	—	—	—	—	2,078	2,078
Transfers In	—	—	—	450,000	—	450,000
Transfers Out	(450,000)	—	—	—	—	(450,000)
	(450,000)	—	—	450,000	2,078	2,078
Net Change in Fund Balances	(478,371)	401	—	658,988	(3,034)	177,984
Fund Balances - Beginning	3,116,597	—	204,524	4,238,762	313,264	7,873,147
Adjustment - Nonmajor to Major Fund	—	37,036	—	—	(37,036)	—
Adjustment - Major to Nonmajor Fund	—	—	(204,524)	—	204,524	—
	—	37,036	(204,524)	—	167,488	—
Fund Balances - Beginning as Adjusted	3,116,597	37,036	—	4,238,762	480,752	7,873,147
Fund Balances - Ending	2,638,226	37,437	—	4,897,750	477,718	8,051,131

The notes to the financial statements are an integral part of this statement.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended June 30, 2024**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 177,984</b>
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	192,860
Depreciation Expense	(328,456)
Disposals - Cost	(25,108)
Disposals - Accumulated Depreciation	17,400

An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.

Change in Net OPEB Asset - RBP	(79,062)
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Changes in Deferred Items Related to OPEB and Pensions

Change in Deferred Items - WRS	(478,597)
Change in Deferred Items - LRLIF	21,847

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	4,099
Change in Net Pension Liability - WRS	616,896
Change in Net OPEB Liability - LRLIF	(36,965)
Retirement of Long-Term Debt	<u>8,365</u>

<b>Changes in Net Position of Governmental Activities</b>	<b><u><u>91,263</u></u></b>
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**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Fiduciary Net Position**

**June 30, 2024**

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	<u>Employee Benefit Trust</u>
<b>ASSETS</b>	
Cash and Investments	\$ 412,424
<b>LIABILITIES</b>	
Due to Municipality	<u>—</u>
<b>NET POSITION</b>	
Net Position Restricted for Employee Benefits	<u><u>412,424</u></u>

The notes to the financial statements are an integral part of this statement.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2024**

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	Employee Benefit Trust
Investment Income	
Interest Earned	\$ 7,729
Deductions	
Benefits and Refunds	<u>15,925</u>
Change in Fiduciary Net Position	(8,196)
Net Position Restricted for Employee Benefits	
Beginning	<u>420,620</u>
Ending	<u><u>412,424</u></u>

The notes to the financial statements are an integral part of this statement.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Cornell, Wisconsin (the “District”) is organized as a common school district. The District is governed by a five-member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or parts of nine taxing Districts.

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established under GAAP and used by the District are described below.

#### REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the District and there are no discretely component units to include in the reporting entity.

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, non-program transactions etc.). The functions are supported by general government revenues (property taxes, general state aid, investment income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers 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 or segment.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (property taxes and investment income, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

##### Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. 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:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

*General Fund* is the general operating and special education fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the debt service fund or capital projects funds. The Community Service Fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Additionally, the District maintains two nonmajor special revenue funds.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Improvements Trust Fund, a major fund, is used to account for projects related to an approved long-term capital improvement plan (minimum of 10 years) that are funded with a transfer from the General Fund. Funds may only be used for the purposes identified in the approved long-term capital improvement plan.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Employee Benefit Trust Fund* is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans, or employee benefit plans.

The District's employee benefit trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities governmental activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All employee benefit trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Employee benefit trust funds equity is classified as net position.



# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, certain state and federal aid, and investment income. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All employee benefit trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and accounts.

**Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings and Improvements	20 - 50 Years
Machinery and Equipment	5 - 30 Years
Right to Use Asset	5 Years

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

##### Compensated Absences

The District's policy allows nonteacher employees to earn varying amounts of PTO for each year employed. Upon retirement or termination of employment, these employees are entitled to payment of \$10.00 per hour of unused PTO time.

Postemployment Benefits – As provided in applicable employee handbooks, the plan provides that the District will pay 81% of the health insurance premiums for up to a maximum period of 7 years for eligible retirees that retired prior to June 2007.

For eligible employees that were still employed at June 30, 2007, the 81% of premium benefit was replaced with a Health Reimbursement Arrangement (HRA). Eligible employees who were hired prior to 2006 but retiring after 2007 with a minimum of 15 years of service to the District, can receive up to a maximum of \$140,000 (28 years and \$5,000 for each year of employment with the District) in payments to the HRA to be paid over 10 years after retirement.

There are no post-employment benefits for teachers hired after 2006.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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.

##### Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.

Restricted - Consists of net position with constraints placed on the 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 legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

##### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

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

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued**

**BUDGETARY INFORMATION - Continued**

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

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

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

Budget amounts in the financial statements include both the original adopted budget and the final budget.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds/functions had an excess of actual expenditures over budget as of the date of this report:

<u>Fund</u>	<u>Function</u>	<u>Excess</u>
General	Instruction	\$ 58,292
General	Support Services	148,998

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds except the employee benefit trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds. The deposits and investments of the trust funds are held separately from those of other funds.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS - Continued

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest available cash balances in 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; bonds or securities guaranteed by the U.S. government; the Local Government Investment Pool fund and the Wisconsin Investment Trust; any security maturing is seven years or less and having the highest or second highest rating category of a nationally recognized agency; securities of an open-end management investment company or investment trust, subject to various condition and investment options; and repurchase agreements with public depositories, with certain conditions.

Wisconsin Investment Series Cooperative (WISC) is open to Wisconsin public entities including school districts, municipalities, counties and technical colleges. The investment manager for WISC is PMA Financial Network. The WISC is not registered with the Securities and Exchange Commission but invests its funds in accordance with applicable Wisconsin statutes. The WISC values its invested funds using various fair value measurements as applicable, depending on the type of investment.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Investments in the LGIP are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund Insurance.

The deposits and investments of the Employee Benefit Fund are held separately from those of other District funds. The investments of the Employee Benefit Fund are solely in annuity contracts and the local government investment pool. The group annuity contract is valued at contract value. The contract value for the group annuity contract represents contributions made under the contract, plus earnings, less payments made to retirees and terminated participants.

#### **District**

*Deposits.* At year-end, the carrying amount of the District's deposits for governmental activities totaled \$643,141 and the bank balances totaled \$722,675. In addition, the District has \$6,108,586 invested in WISC and \$868,199 invested in LGIP which have average maturities of less than one year.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have an investment policy which specifically addresses interest rate risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the District does not have an investment policy which further addresses credit risk. The District's investments in WISC and LGIP are not rated.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Notes to the Financial Statements

June 30, 2024

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS - Continued

##### District - Continued

*Custodial Credit Risk - Deposits.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. At year-end, \$459,600 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

*Custodial Credit Risk - Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy which specifically addresses custodial credit risk for investments. The District's investments in WISC and LGIP are not subject to custodial credit risk.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy which specifically addresses concentration risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

##### Employee Benefit Fund

*Investments.* At year-end, the Fund has \$325,634 invested in annuity contracts and \$86,790 invested in LGIP which have average maturities of less than one year.

*Interest Rate Risk.* The Fund does not have an investment policy which specifically addresses interest rate risk.

*Credit Risk.* Besides investing in security instruments authorized under State Statute, the Fund does not have an investment policy which further addresses credit risk. The Funds investments in the annuity contracts and LGIP are not rated.

*Custodial Credit Risk - Deposits.* Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

*Custodial Credit Risk - Investments.* The Fund does not have an investment policy which specifically addresses custodial credit risk for investments. The Fund's investments in the annuity contracts and LGIP are not subject to custodial credit risk.

*Concentration Risk.* The Fund does not have an investment policy which specifically addresses concentration risk. At year-end, the Fund does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS - Continued**

**Employee Benefit Fund - Continued**

*Rate of Return.* At year-end, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**PROPERTY TAXES**

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about January 31, and July 31. The County collects such taxes and remits them periodically.

**INTERFUND BALANCES**

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Community Service	<u>\$ 62,674</u>

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Improvements Trust	General	<u>\$ 450,000</u>

Transfers are used to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 22,650	—	—	22,650
Depreciable/Amortizable Capital Assets				
Land Improvements	1,436,738	15,099	—	1,451,837
Buildings and Improvements	7,503,360	—	—	7,503,360
Machinery and Equipment	2,591,784	177,761	—	2,769,545
Right to Use Asset	25,108	—	25,108	—
	<u>11,556,990</u>	<u>192,860</u>	<u>25,108</u>	<u>11,724,742</u>
Less Accumulated Depreciation/Amortization				
Land Improvements	634,401	48,845	—	683,246
Buildings and Improvements	4,499,487	158,934	—	4,658,421
Machinery and Equipment	1,746,773	120,677	—	1,867,450
Right to Use Asset	17,400	—	17,400	—
	<u>6,898,061</u>	<u>328,456</u>	<u>17,400</u>	<u>7,209,117</u>
Total Net Depreciable/Amortizable Capital Assets	<u>4,658,929</u>	<u>(135,596)</u>	<u>7,708</u>	<u>4,515,625</u>
Total Net Capital Assets	<u>4,681,579</u>	<u>(135,596)</u>	<u>7,708</u>	<u>4,538,275</u>

Depreciation/amortization was charged to governmental activities as follows:

Support Services	<u>\$ 328,456</u>
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**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Leases Payable**

The District has the following leases payable at year-end:

<u>Lease</u>	<u>Term Length</u>	<u>Start Date</u>	<u>Payments</u>	<u>Interest Rate</u>
E.O. Johnson	60 Months	July 1, 2023	\$10,146 monthly	7.84%

The lease was paid in full as of the year-end.

**Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

<u>Type of Debt</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>	<u>Amounts Due within One Year</u>
Compensated Absences	\$ 46,712	4,099	8,198	42,613	8,523
Net Pension Liability - WRS	866,803	—	616,896	249,907	—
Net OPEB Liability - LRLIF	132,551	36,965	—	169,516	—
Leases Payable	8,365	—	8,365	—	—
	<u>1,054,431</u>	<u>41,064</u>	<u>633,459</u>	<u>462,036</u>	<u>8,523</u>

Payments on the compensated absences, the net pension liability, the net OPEB liability, and leases payable will generally be repaid from the General Fund.

**Legal Debt Margin**

Wisconsin State Statute 67.03 limits total general obligation indebtedness of the District to ten percent of the equalized value of taxable property within the District's jurisdiction. The legal debt limit at year-end was as follows:

Assessed Valuation - 2023	<u>\$ 282,537,214</u>
Legal Debt Limit - 10% of Assessed Value	28,253,721
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>28,253,721</u>

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Community Service	Capital Projects Capital Improvements Trust	Nonmajor	Totals
Fund Balances					
Restricted					
Special Projects	\$ —	—	—	291,468	291,468
Food Service	—	—	—	186,250	186,250
Community Service	—	37,437	—	—	37,437
Capital Projects	—	—	4,897,750	—	4,897,750
	—	37,437	4,897,750	477,718	5,412,905
Unassigned	2,638,226	—	—	—	2,638,226
<b>Total Fund Balances</b>	<b>2,638,226</b>	<b>37,437</b>	<b>4,897,750</b>	<b>477,718</b>	<b>8,051,131</b>

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Education's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS - Continued**

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance.* The District's policy manual states that the General Fund does not have to maintain a minimum fund balance.

**FUND BALANCE RESTATEMENT**

*Change within Accounting Entity.* Fund balances for major governmental funds and nonmajor governmental funds were restated due the Community Service Fund becoming a major fund and the Food Service fund becoming a nonmajor fund. The following is a summary of the fund balances as originally reported and as restated:

	Beginning Balance	Change within Accounting Entity	Restated Balance
Fund Balances: Governmental Funds			
Major Funds			
Food Service	\$ 204,524	(204,524)	—
Community Service	—	37,036	37,036
	<u>204,524</u>	<u>(167,488)</u>	<u>37,036</u>
Nonmajor Funds			
Food Service	—	204,524	204,524
Community Service	37,036	(37,036)	—
	<u>37,036</u>	<u>167,488</u>	<u>204,524</u>
Total Governmental Funds	<u>241,560</u>	<u>—</u>	<u>241,560</u>

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**NET POSITION CLASSIFICATION**

Net investment in capital assets was comprised of the following as of June 30, 2024:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	4,538,275
Less: Capital Related Debt		<u>                    —</u>
Net Investment in Capital Assets		<u><u>4,538,275</u></u>

**NOTE 4 - OTHER INFORMATION**

**LIMITATION OF SCHOOL DISTRICT REVENUES**

Wisconsin Statutes limit the amount of revenues that school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. The annual revenue increase from these sources is limited to an allowable per member increase which is determined by the legislature. 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.

**CONTINGENT LIABILITIES**

**Litigation**

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

**State and Federal Contingencies**

The District has 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 the terms of the grant. Management believes such disallowance, if any, would be immaterial.

Notes to the Financial Statements

June 30, 2024

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**NOTE 4 - OTHER INFORMATION - Continued**

**RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN**

**Wisconsin Retirement System (WRS)**

**Plan Descriptions**

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

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

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

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

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

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

SCHOOL DISTRICT OF CORNELL, WISCONSIN

Notes to the Financial Statements

June 30, 2024

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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	—%	(10.0%)
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	(21.0%)

*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 \$220,636 in contributions from the employer.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Wisconsin Retirement System (WRS) - Continued**

**Plan Descriptions - Continued**

*Contributions - Continued.* Contributions rates as of June 30, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executive, and elected official)	6.80%	6.80%

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

At June 30, 2024, the District reported a net pension liability of \$249,907 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.01680831%, which was an increase of 0.00044644% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$82,337.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 1,007,622	(1,334,602)	(326,980)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	870,885	—	870,885
Changes of Assumptions	108,927	—	108,927
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	1,509	(15,111)	(13,602)
Total Pension Expense to be Recognized			
in Future Periods	1,988,943	(1,349,713)	639,230
Pension Contributions Made Subsequent			
to the Measurement Date	220,636	—	220,636
Total Deferred Amounts Related to Pensions	2,209,579	(1,349,713)	859,866



**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Wisconsin Retirement System (WRS) - Continued**

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

\$220,636 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 129,368
2026	135,760
2027	542,843
2028	(168,741)
2029	—
Thereafter	—
Total	<u>639,230</u>

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Wisconsin Retirement System (WRS) - Continued**

**Actuarial Assumptions**

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

Actuarial Valuation Date	December 31, 2022
Measurement Date of Net Pension Liability	December 31, 2023
Experience Study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.80%
Discount Rate	6.80%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.70%

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

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

SCHOOL DISTRICT OF CORNELL, WISCONSIN

Notes to the Financial Statements

June 30, 2024

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

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:

Core Fund Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equities/Debt	18.0%	9.6%	6.7%
Leverage	(12.0%)	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
<hr/>			
Variable Fund Asset Class			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0%	7.6%	4.8%
Total Variable Fund	100.0%	7.7%	4.5%

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Wisconsin Retirement System (WRS) - 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 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Rate (6.80%)	1% Increase (7.80%)
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,415,471	249,907	(1,265,430)

**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/aboutetf/reports-and-studies/financial-reports-and-statements>.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

The District contributes to two other post-employment benefit plans, the Local Retiree Life Insurance Fund (LRLIF) and the Retiree Benefits Plan (RBP). The aggregate amounts recognized for the other post-employment plans are:

	Pension Expense	OPEB Liability/ (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund	\$ 15,856	169,516	72,825	89,110
Retiree Benefits Plan	79,062	(181,418)	—	—
	94,918	(11,902)	72,825	89,110

**Local Retiree Life Insurance Fund**

**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.

SCHOOL DISTRICT OF CORNELL, WISCONSIN

Notes to the Financial Statements

June 30, 2024

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NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund - Continued

Plan Description - Continued

Contributions - Continued. Contribution rates as of December 31, 2023 are:

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

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

Attained Age	Basic	Supplemental
Under 30	0.0500	0.0500
30-34	0.0600	0.0600
35-39	0.0700	0.0700
40-44	0.0800	0.0800
45-49	0.1200	0.1200
50-54	0.2200	0.2200
55-59	0.3900	0.3900
60-64	0.4900	0.4900
65-69	0.5700	0.5700

During the reporting period, the LRLIF recognized \$738 in contributions from the employer.

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

At June 30, 2024, the District reported a liability of \$169,516 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.03684600%, which was an increase of 0.00205400% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$15,856.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Local Retiree Life Insurance Fund - Continued**

**OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ —	(15,003)	(15,003)
Net Difference Between Projected and Actual			
Earnings on OPEB Plan Investments	2,290	—	2,290
Changes of Assumptions	53,025	(66,752)	(13,727)
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	17,130	(7,355)	9,775
Total OPEB Expense to be Recognized in Future Periods	72,445	(89,110)	(16,665)
OPEB Contributions Made Subsequent			
to the Measurement Date	380	—	380
Total Deferred Amounts Related to OPEB	72,825	(89,110)	(16,285)

\$380 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 1,291
2026	3,371
2027	(3,949)
2028	(10,313)
2029	(10,302)
Thereafter	3,237
Total	(16,665)

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Local Retiree Life Insurance Fund - Continued**

**Actuarial Assumptions**

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2022
Measurement Date of Net OPEB Liability	December 31, 2023
Experience Study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.26%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.32%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	2020 WRS Experience Mortality Table

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



**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Local Retiree Life Insurance Fund - Continued**

**Asset Allocation Targets and Expected Returns**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40.00%	2.32%
US Mortgages	Bloomberg US MBS	60.00%	2.52%
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%.

**Single Discount Rate**

A single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Notes to the Financial Statements**

**June 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Local Retiree Life Insurance Fund - Continued**

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 3.32%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.32%)	Current Rate (3.32%)	1% Increase (4.32%)
District's Proportionate Share of the Net OPEB Liability	\$ 227,768	169,516	125,050

**Retiree Benefits Plan**

*Plan Description.* The District’s defined benefit OPEB plan, The Retiree Benefits Plan (RBP), provides OPEB for all eligible employees of the District. RBP is a single-employer defined benefit OPEB plan. The plan does not issue separate financial statements. Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* The plan provides that the District will pay 81 percent of the health insurance premiums for up to a maximum period of 7 years for eligible retirees that retired prior to June 2007. For eligible employees that were still employed at June 30, 2007, the 81 percent of premium was replaced with a Health Reimbursement Arrangement (HRA). Eligible employees who were hired prior to 2006 but retiring after 2007 with a minimum of 15 years of service to the District, can receive up to a maximum of \$140,000 (28 years and \$5,000 for each year of employment with the District) in payments to the GRA to be paid over 10 years after retirement. There are no post-employment benefits for teachers hired after 2006.

*Plan Membership.* As of June 30, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	6
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	—
Total	<u>6</u>

SCHOOL DISTRICT OF CORNELL, WISCONSIN

Notes to the Financial Statements

June 30, 2024

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NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree Benefits Plan - Continued

*Contributions.* The District's Trust Agreement states that the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June 30, 2024, no plan member contributions occurred.

*Annual OPEB Cost and Net OPEB Obligation.* The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution to the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45 (determined actuarially for the year ended June 30, 2009 and under the alternative measurement method for the years ended thereafter).

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial/alternative measurement liabilities (or funding excess) over a period not to exceed thirty years.

For fiscal years ended June 30, 2011 and thereafter the liability is considered to be fully funded.

*Funding Status and Funding Progress.* The below schedule presents the value of the assets in the plan in comparison to the accrued liability calculated in accordance with the alternative measurement method:

Total OPEB Liability	\$ 144,216
Fiduciary Net Position	<u>325,634</u>
Net OPEB (Asset)	<u><u>(181,418)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 225.80%

The District uses alternative measurement method for determining its liability for the fiscal years ended June 30, 2011 and thereafter. The following is a summary of those significant methods and assumptions:

There were six retirees receiving benefits at the time of the latest alternative measurement, a 100% probability factor of employees staying until retirement was used in determining turnover based on inquires of those employees covered, no increase in health insurance premiums was necessary as the calculation for those under the old retirement language is complete. Management believes that the entire liability is fully funded. A historical age-based retirement date of 58 was used in the calculations. Finally, a rate of return of the investment used in the calculations is 1.5%.

*Method Used to Value Investments.* Investments are reported at fair value, which is determined by the underlying investments held by the group variable annuity contract invested with American United Life Insurance Company. For the year ended June 30, 2024, the annual money-weighted rate of return, net of investment expense, was 2.00%.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Wisconsin Retirement System
  - Schedule of Employer Contributions
  - Schedule of Proportionate Share of the Net Pension Liability/(Asset)
  - Notes to the Required Supplementary Information
  
- Local Retiree Life Insurance Fund
  - Schedule of Employer Contributions
  - Schedule of Proportionate Share of the Net OPEB Liability
  - Notes to the Required Supplementary Information
  
- Budgetary Comparison Schedules
  - General Fund
  - Major Special Revenue Funds

Notes to the Required Supplementary Information

Budgetary Information - Budgeted amounts are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Wisconsin Retirement System  
Schedule of Employer Contributions  
June 30, 2024**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 154,413	\$ 154,413	\$ —	\$ 2,201,158	7.02%
2016	160,723	160,723	—	2,363,580	6.80%
2017	164,545	164,545	—	2,493,111	6.60%
2018	176,499	176,499	—	2,560,986	6.89%
2019	161,442	161,442	—	2,409,581	6.70%
2020	158,877	158,877	—	2,425,616	6.55%
2021	181,800	181,800	—	2,694,518	6.75%
2022	200,697	200,697	—	3,028,402	6.63%
2023	240,890	240,890	—	3,612,093	6.67%
2024	220,502	220,502	—	3,215,610	6.86%

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Wisconsin Retirement System**

**Schedule of Proportionate Share of the Net Pension Liability/(Asset)**

**June 30, 2024**

Fiscal Year	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset)/ Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2015	0.156016%	\$ (383,112)	\$ 2,201,158	(17.41%)	102.74%
2016	0.015847%	257,505	2,363,580	10.89%	98.20%
2017	0.016541%	136,340	2,493,111	5.47%	99.12%
2018	0.017125%	(508,468)	2,560,986	(19.85%)	102.93%
2019	0.016783%	597,099	2,409,581	24.78%	96.45%
2020	0.016086%	(518,679)	2,425,616	(21.38%)	102.96%
2021	0.015434%	(963,540)	2,584,335	(37.28%)	105.26%
2022	0.015787%	(1,272,499)	2,874,689	(44.27%)	106.02%
2023	0.016362%	866,803	3,065,600	28.28%	95.72%
2024	0.016808%	249,907	3,275,584	7.63%	98.85%

Notes:

The amounts presented were determined as of the prior calendar-year end.

# SCHOOL DISTRICT OF CORNELL, WISCONSIN

## Wisconsin Retirement System

### Notes to the Required Supplementary Information

June 30, 2024

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

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

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

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

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

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Wisconsin Retirement System**

**Notes to the Required Supplementary Information - Continued**

**June 30, 2024**

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Valuation Date	December 31, 2021
Actuarial Cost Method	Frozen Entry Age
Amortization Method	Level Percent of Payroll-Closed Amortization Period
Amortization Period	30 Years closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market (Closed)
Actuarial Assumptions	
Net Investment Rate of Return	5.40%
Weighted based on assumed rate for:	
Pre-Retirement	6.80%
Post-Retirement	5.00%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Post Retirement Benefit Adjustments*	1.70%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2018-2020.
Mortality	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.

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



**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Local Retiree Life Insurance Fund  
Schedule of Employer Contributions  
June 30, 2024**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 597	\$ 597	\$ —	\$ 1,531,000	0.04%
2021	708	708	—	1,636,000	0.04%
2022	757	757	—	1,745,000	0.04%
2023	769	769	—	1,658,000	0.05%
2024	738	738	—	1,927,000	0.04%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Local Retiree Life Insurance Fund**

**Schedule of Proportionate Share of the Net OPEB Liability**

**June 30, 2024**

Fiscal Year	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Net OPEB Liability
2020	0.033027%	\$ 140,635	\$ 1,531,000	9.19%	37.58%
2021	0.035539%	195,490	1,636,000	11.95%	31.36%
2022	0.037023%	218,820	1,745,000	12.54%	29.57%
2023	0.034792%	132,551	1,658,000	7.99%	38.81%
2024	0.036846%	169,516	1,696,000	10.00%	33.90%

Notes:

The amounts presented were determined as of the prior calendar-year end.

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

## SCHOOL DISTRICT OF CORNELL, WISCONSIN

### Local Retiree Life Insurance Fund

#### Notes to the Required Supplementary Information

June 30, 2024

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*Change in Benefit Terms:* There were no recent changes in benefit terms.

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

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

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

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

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

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Local Sources	\$ 1,749,868	1,749,868	1,793,933	44,065
Interdistrict Payments within Wisconsin	364,384	364,384	356,092	(8,292)
Intermediate Sources	96,945	96,945	134,840	37,895
State Sources	3,709,320	3,709,320	3,774,712	65,392
Federal Sources	642,673	642,673	522,818	(119,855)
Other Revenues	38,000	38,000	66,316	28,316
Total Revenues	<u>6,601,190</u>	<u>6,601,190</u>	<u>6,648,711</u>	<u>47,521</u>
<b>Expenditures</b>				
Instruction	3,444,420	3,444,420	3,502,712	(58,292)
Support Services	2,059,073	2,059,073	2,208,071	(148,998)
Non-Program Transactions	998,283	998,283	956,153	42,130
Debt Service				
Principal Retirement	10,000	10,000	8,365	1,635
Interest and Fiscal Charges	1,500	1,500	1,781	(281)
Total Expenditures	<u>6,513,276</u>	<u>6,513,276</u>	<u>6,677,082</u>	<u>(163,806)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,914	87,914	(28,371)	(116,285)
<b>Other Financing (Uses)</b>				
Transfers Out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>—</u>
Net Change in Fund Balance	<u>(362,086)</u>	<u>(362,086)</u>	(478,371)	<u>(116,285)</u>
Fund Balance - Beginning			<u>3,116,597</u>	
Fund Balances - Ending			<u>2,638,226</u>	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Community Service - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Gifts, Fundraising, Contributions and Development	\$ —	—	400	400
<b>Federal Sources</b>				
Federal Special Projects Aid Transited through DPI	100,329	100,329	100,329	—
<b>Total Revenues</b>	<u>100,329</u>	<u>100,329</u>	<u>100,729</u>	<u>400</u>
<b>Expenditures</b>				
<b>Community Services</b>				
Other Community Services	100,568	100,568	100,328	240
<b>Net Change in Fund Balance</b>	<u>(239)</u>	<u>(239)</u>	401	<u>640</u>
Fund Balance - Beginning			<u>37,036</u>	
Fund Balance - Ending			<u>37,437</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund
- Budgetary Comparison Schedules - General Fund Accounts
- Budgetary Comparison Schedule - Major Governmental Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedule - Employee Benefit Trust Fund

## INDIVIDUAL FUND DESCRIPTIONS

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### GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the General and Special Education Accounts.

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### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

#### Special Projects Fund

The Special Projects Fund is used to account for the proceeds of non-trust revenues of which the expenditures are limited to specified purposes related to District operations. The most common source of such funds is gifts and donations.

#### Food Service Fund

The Food Service Fund is used to account for all revenues and expenditures related to pupil and elderly food service activities are recorded in this fund.

#### Community Service Fund

The Community Service Fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Actual, additional expenditures for these activities, includes salaries, benefits, travel, purchased services, etc. are to be included in this fund to the extent feasible. The District may adopt a separate tax levy for this Fund.

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### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

#### Capital Improvements Trust Funds

The Capital Improvements Trust Fund is used to account for projects related to an approved long-term capital improvement plan (minimum of 10 years) that are funded with a transfer from the General Fund. Funds may only be used for the purposes identified in the approved long-term capital improvement plan.

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## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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### **FIDUCIARY FUND**

#### **EMPLOYEE BENEFIT TRUST FUND**

The Employee Benefit Trust Fund is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans, or employee benefit plans. Such plans must be legally established in accordance with state statutes, federal laws and Internal Revenue Service requirements. Specific requirements for use of this fund have been established by the Department of Public Instruction. This fund applies to all post-employment benefit plans where the district is providing such benefits by contribution to a legally established irrevocable trust.

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**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**General Fund - by Accounts**

**Combining Balance Sheet**

**June 30, 2024**

	General Account	Special Education Account	Eliminations	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 2,234,773	—	—	2,234,773
Receivables				
Taxes	544,827	—	—	544,827
Accounts	11,706	—	—	11,706
Due from Other Funds	186,046	—	(123,372)	62,674
Due from Other Governments	121,921	128,350	—	250,271
	<hr/>			
Total Assets	3,099,273	128,350	(123,372)	3,104,251
<hr/>				
<b>LIABILITIES</b>				
Accounts Payable	3,663	4,978	—	8,641
Accrued Payroll	457,342	—	—	457,342
Due to Other Funds	—	123,372	(123,372)	—
Due to Other Governments	42	—	—	42
	<hr/>			
Total Liabilities	461,047	128,350	(123,372)	466,025
<hr/>				
<b>FUND BALANCES</b>				
Unassigned	2,638,226	—	—	2,638,226
	<hr/>			
Total Liabilities and Fund Balances	3,099,273	128,350	(123,372)	3,104,251
<hr/>				

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**General Fund - by Accounts**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Fiscal Year Ended June 30, 2024**

	General Account	Special Education Account	Eliminations	Totals
<b>Revenues</b>				
Local Sources	\$ 1,793,933	—	—	1,793,933
Interdistrict Payments within Wisconsin	356,092	—	—	356,092
Intermediate Sources	74,071	60,769	—	134,840
State Sources	3,463,994	310,718	—	3,774,712
Federal Sources	375,963	146,855	—	522,818
Other Revenues	66,316	—	—	66,316
Total Revenues	<u>6,130,369</u>	<u>518,342</u>	<u>—</u>	<u>6,648,711</u>
<b>Expenditures</b>				
Instruction	2,609,260	893,452	—	3,502,712
Support Services	1,905,951	302,120	—	2,208,071
Non-Program Transactions	910,689	45,464	—	956,153
Debt Service				
Principal Retirement	8,365	—	—	8,365
Interest and Fiscal Charges	1,781	—	—	1,781
Total Expenditures	<u>5,436,046</u>	<u>1,241,036</u>	<u>—</u>	<u>6,677,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>694,323</u>	<u>(722,694)</u>	<u>—</u>	<u>(28,371)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	—	722,694	(722,694)	—
Transfers Out	(1,172,694)	—	722,694	(450,000)
	<u>(1,172,694)</u>	<u>722,694</u>	<u>—</u>	<u>(450,000)</u>
Net Change in Fund Balance	(478,371)	—	—	(478,371)
Fund Balance - Beginning	<u>3,116,597</u>	<u>—</u>	<u>—</u>	<u>3,116,597</u>
Fund Balances - Ending	<u><u>2,638,226</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>2,638,226</u></u>

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**General Account - General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Property Tax	\$ 1,736,023	1,736,023	1,736,023	—
Other Taxes	2,585	2,585	797	(1,788)
Payments for Services (Local)	500	500	589	89
School Activity Income	2,260	2,260	3,131	871
Investment Income	6,000	6,000	51,443	45,443
Other Revenue from Local Sources	2,500	2,500	1,950	(550)
<b>Interdistrict Payments within Wisconsin</b>				
Payments for Services (within WI)	364,384	364,384	356,092	(8,292)
<b>Intermediate Sources</b>				
Transit of Aids	5,945	5,945	5,945	—
Medical Service Reimbursements (Intermediate)	45,000	45,000	68,126	23,126
<b>State Sources</b>				
State Aid - Categorical	46,150	46,150	53,170	7,020
State Aid - General	2,645,535	2,645,535	2,645,535	—
State Special Projects Grants	20,605	20,605	34,961	14,356
Achievement Gap Reduction (AGR) Aid	172,500	172,500	201,412	28,912
State Revenue through Local Governments	1,500	1,500	3,397	1,897
Other Revenue from State Sources	530,030	530,030	525,519	(4,511)
<b>Federal Sources</b>				
Federal Special Projects Aid Transited through DPI	233,938	233,938	143,359	(90,579)
Elementary and Secondary Education Act (ESEA)	208,187	208,187	208,187	—
Federal Aid through State Agencies other than DPI	15,571	15,571	—	(15,571)
Other Revenue from Federal Sources	29,098	29,098	24,417	(4,681)
<b>Other Revenues</b>				
Refund of Disbursement	36,000	36,000	56,121	20,121
Other Miscellaneous Revenues	2,000	2,000	10,195	8,195
<b>Total Revenues</b>	<b>6,106,311</b>	<b>6,106,311</b>	<b>6,130,369</b>	<b>24,058</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Undifferentiated Curriculum	1,625,469	1,625,469	1,653,238	(27,769)
Regular Curriculum	406,261	406,261	490,310	(84,049)
Vocational Curriculum	223,975	223,975	224,224	(249)
Physical Curriculum	122,359	122,359	119,601	2,758
Co-Curricular Activities	178,595	178,595	121,887	56,708
	<b>2,556,659</b>	<b>2,556,659</b>	<b>2,609,260</b>	<b>(52,601)</b>

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**General Account - General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures - Continued</b>				
Support Services				
Pupil Services	\$ 55,753	55,753	47,121	8,632
Instructional Staff Services	85,428	85,428	83,105	2,323
General Administration	192,006	192,006	215,298	(23,292)
School Building Administration	351,509	351,509	396,605	(45,096)
Business Administration	1,008,349	1,008,349	1,009,348	(999)
Central Services	30,750	30,750	20,131	10,619
Insurance and Judgements	50,947	50,947	53,737	(2,790)
Other Support Services	22,000	22,000	80,606	(58,606)
	<u>1,796,742</u>	<u>1,796,742</u>	<u>1,905,951</u>	<u>(109,209)</u>
<b>Non-Program Transactions</b>				
Purchased Instructional Services	971,624	971,624	910,689	60,935
Other Non-Program Transactions	2,150	2,150	—	2,150
	<u>973,774</u>	<u>973,774</u>	<u>910,689</u>	<u>63,085</u>
<b>Debt Service</b>				
Principal Retirement	10,000	10,000	8,365	1,635
Interest and Fiscal Charges	1,500	1,500	1,781	(281)
	<u>11,500</u>	<u>11,500</u>	<u>10,146</u>	<u>1,354</u>
<b>Total Expenditures</b>	<u>5,338,675</u>	<u>5,338,675</u>	<u>5,436,046</u>	<u>(97,371)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	767,636	767,636	694,323	(73,313)
<b>Other Financing (Uses)</b>				
Transfers Out	(450,000)	(450,000)	(1,172,694)	(722,694)
<b>Net Change in Fund Balance</b>	<u>317,636</u>	<u>317,636</u>	(478,371)	<u>(796,007)</u>
<b>Fund Balance - Beginning</b>			<u>3,116,597</u>	
<b>Fund Balance - Ending</b>			<u>2,638,226</u>	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Special Education Account - General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Intermediate Sources				
Transit of Aids (Intermediate)	\$ 11,000	11,000	16,629	5,629
Medical Service Reimbursements (Intermediate)	35,000	35,000	44,140	9,140
State Sources				
State Aid - Categorical	290,000	290,000	309,818	19,818
Other Revenue from State Sources	3,000	3,000	900	(2,100)
Federal Sources				
Federal Special Projects Aid Transited through DPI	155,879	155,879	146,855	(9,024)
Total Revenues	<u>494,879</u>	<u>494,879</u>	<u>518,342</u>	<u>23,463</u>
<b>Expenditures</b>				
Instruction				
Special Education Curriculum	887,761	887,761	893,452	(5,691)
Support Services				
Pupil Services	134,350	134,350	153,674	(19,324)
Instructional Staff Services	109,288	109,288	125,278	(15,990)
Business Administration	18,100	18,100	22,175	(4,075)
Other Support Services	593	593	993	(400)
Non-Program Transactions				
Purchased Instructional Services	24,509	24,509	45,464	(20,955)
Total Expenditures	<u>1,174,601</u>	<u>1,174,601</u>	<u>1,241,036</u>	<u>(66,435)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	(679,722)	(679,722)	(722,694)	(42,972)
<b>Other Financing Sources</b>				
Transfers In	<u>679,722</u>	<u>679,722</u>	<u>722,694</u>	<u>42,972</u>
<b>Net Change in Fund Balance</b>				
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund Balance - Beginning</b>				
			<u>—</u>	
<b>Fund Balance - Ending</b>				
			<u>—</u>	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Capital Improvements Trust - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local				
Investment Income	\$ 10,000	10,000	208,988	198,988
Expenditures				
Support Services				
Business Administration	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	10,000	208,988	198,988
Other Financing Sources				
Transfers In	450,000	450,000	450,000	—
Net Change in Fund Balance	<u>460,000</u>	<u>460,000</u>	658,988	<u>198,988</u>
Fund Balance - Beginning			<u>4,238,762</u>	
Fund Balance - Ending			<u>4,897,750</u>	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**June 30, 2024**

	Special Revenue			Totals
	Special Projects	Food Service	Community Services	
<b>ASSETS</b>				
Cash and Investments	\$ 292,445	194,958	—	487,403
Due from Other Governments	—	9,687	—	9,687
Total Assets	292,445	204,645	—	497,090
<b>LIABILITIES</b>				
Accounts Payable	977	624	—	1,601
Deferred Revenues	—	17,771	—	17,771
Total Liabilities	977	18,395	—	19,372
<b>FUND BALANCES</b>				
Restricted	291,468	186,250	—	477,718
Total Liabilities and Fund Balances	292,445	204,645	—	497,090

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Nonmajor Governmental Funds**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**

**For the Fiscal Year Ended June 30, 2024**

	Special Revenue			Totals
	Special Projects	Food Service	Community Services	
Revenues				
Local Sources				
Investment Income	\$ 10,505	—	—	10,505
Other	111,496	44,191	—	155,687
State Sources	—	9,489	—	9,489
Federal Sources	—	300,139	—	300,139
Total Revenues	122,001	353,819	—	475,820
Expenditures				
Instruction	97,998	—	—	97,998
Support Services	1,988	374,171	—	376,159
Non-Program Transactions	6,775	—	—	6,775
Total Expenditures	106,761	374,171	—	480,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,240	(20,352)	—	(5,112)
Other Financing Sources				
Disposal of Capital Assets	—	2,078	—	2,078
Net Change in Fund Balance	15,240	(18,274)	—	(3,034)
Fund Balances - Beginning	276,228	—	37,036	313,264
Adjustment - Nonmajor to Major Fund	—	—	(37,036)	(37,036)
Adjustment - Major to Nonmajor Fund	—	204,524	—	204,524
	—	204,524	(37,036)	167,488
Fund Balances - Beginning as Adjusted	276,228	204,524	—	480,752
Fund Balances - Ending	291,468	186,250	—	477,718



**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Special Projects - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Investment Income	\$ 2,500	2,500	10,505	8,005
Gifts, Fundraising, Contributions and Development	129,720	129,720	111,496	(18,224)
<b>Total Revenues</b>	<b>132,220</b>	<b>132,220</b>	<b>122,001</b>	<b>(10,219)</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Co-Curricular Activities	123,150	123,150	97,998	25,152
<b>Support Services</b>				
Business Administration	—	—	1,988	(1,988)
<b>Non-Program Transactions</b>				
Purchased Instructional Services	—	—	750	(750)
Post-Secondary Scholarship Expenditures	5,950	5,950	6,025	(75)
<b>Total Expenditures</b>	<b>129,100</b>	<b>129,100</b>	<b>106,761</b>	<b>22,339</b>
<b>Net Change in Fund Balance</b>	<b>3,120</b>	<b>3,120</b>	<b>15,240</b>	<b>12,120</b>
Fund Balance - Beginning			276,228	
Fund Balance - Ending			291,468	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Food Service - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local				
Food Service	\$ 55,000	55,000	44,191	(10,809)
State Sources				
State Aid - Categorical	8,600	8,600	9,489	889
Federal Sources				
Federal Aid - Categorical	291,700	291,700	287,046	(4,654)
Federal Special Projects Aid Transited through DPI	12,000	12,000	13,093	1,093
Total Revenues	<u>367,300</u>	<u>367,300</u>	<u>353,819</u>	<u>(13,481)</u>
Expenditures				
Support Services				
Business Administration	409,638	409,638	374,171	35,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,338)	(42,338)	(20,352)	21,986
Other Financing Sources				
Disposal of Capital Assets	—	—	2,078	2,078
Net Change in Fund Balance	<u>(42,338)</u>	<u>(42,338)</u>	(18,274)	<u>24,064</u>
Fund Balance - Beginning			<u>204,524</u>	
Fund Balance - Ending			<u><u>186,250</u></u>	

**SCHOOL DISTRICT OF CORNELL, WISCONSIN**

**Employee Benefit - Trust Fund**

**Schedule of Changes in Fiduciary Net Position - Budget and Actual**

**For the Fiscal Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Investment Income				
Interest Earned	\$ 6,000	6,000	7,729	1,729
Deductions				
Post-Employment Benefits	17,860	17,860	15,925	1,935
Change in Fiduciary Net Position	<u>(11,860)</u>	<u>(11,860)</u>	(8,196)	<u>3,664</u>
Net Position Restricted for Employee Benefits				
Beginning			<u>420,620</u>	
Ending			<u>412,424</u>	