

To the Board of Education
Tigerton School District
Tigerton, Wisconsin

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Tigerton School District (District) as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to the audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America Governmental Auditing Standards Issued by the Comptroller General of the United States, Uniform Guidance, Wisconsin State Single Audit Guidelines and the Wisconsin School District Audit Manual

As stated in our engagement letter dated June 18, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System (WRS), schedule of changes in the total OPEB liability and related ratios – other post-employment benefits - single-employer plan, schedule of employer's proportionate share of net OPEB liability and employer contributions - other post-employment benefits - cost sharing plan, and the schedule of revenues, expenditures and change in fund balance - budget and actual - general fund, as indicated in the financial statement's table of contents, which supplement the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures did not provide us with sufficient evidence to express an opinion or provide any assurance, we did not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds and the schedules of expenditures of federal awards and state financial assistance as indicated in the table of contents in the financial statements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information as described by professional standards, was to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information was fairly stated, in all material respects, in relation to the financial statements as a whole.

Audit Scope, Significant Risks and Other

Our audit included examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures.

Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Any internal control related matters that are required to be communicated under professional standards are included later in this letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Tigerton School District are described in Note 1 to the financial statements. No new accounting policies were adopted by the District as described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the useful lives of the capital assets is based on the District's capitalization policy. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related deferred outflows/inflows is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows/inflows in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the other post-employment benefits liabilities is based on actuarial reports. We evaluated the key factors and assumptions used to develop the other postemployment benefits liabilities in determining that they are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of net pension liability and related deferred outflows/inflows and the related risk associated with them in Notes 6 to the financial statements. The footnote was prepared based on the requirements of the Governmental Accounting Standards Board and is intended to inform readers as to the risk associated with the District's net pension liability and related deferred outflows/inflows of resources.

The disclosure of other post-employment benefits and related deferred outflows/inflows and the related risk associated with them is detailed in Note 7 and 8 to the financial statements. The footnotes were prepared based on the requirements of the Governmental Accounting Standards Board and are intended to inform readers as to the risk associated with the District's other post-employment benefits and related deferred outflows/inflows.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management.

A list of corrected misstatements is attached to this management letter. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter, dated October 21, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Tigerton District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the following deficiencies in internal control that we consider to be material weaknesses.

Financial Reporting - Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP). During the audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP. Management requested that KerberRose SC assist in preparing a draft of the audited financial statements, including the related footnote disclosures. The outsourcing is a result of management's cost/benefit decision to use out accounting expertise rather than incurring this internal resource cost. This matter is common in most small organizations since they do not have the resources to devote to this area of internal control. The District has assigned an individual with the knowledge and skills to review the financial statements which included comparing the audited financial statements to the internally generated financial reports. After this process is complete, the District approves and accepts responsibility for the audited financial statements.

Segregation of Duties - The District has a limited number of people who are responsible for and perform substantially all of the bookkeeping and accounting functions. Good internal control requires a complete separation of duties with respect to the handling and recording of transactions. In order to provide for an adequate segregation of duties, additional personnel may have to be involved in the performance of the accounting and bookkeeping functions. We recognize that this may not be practicable based on the size of the District and limited resources. This is not unusual for entities your size, but we are required to inform you that this condition exists. All bank reconciliations should be reviewed by someone other than the preparer. Journal entries should be reviewed and approved prior to entry into the financial records. Because some procedural controls do not exist, the board has compensating controls such as approval of invoices and review of receipts and revenues which allow it to rely on its knowledge of the District's operations in order to safeguard assets.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Accordingly, we do not express an opinion on compliance. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, issued by the Comptroller General of the United States, the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *Wisconsin School District Audit Manual* issued by the Wisconsin Department of Public Instruction and the *State Single Audit Guidelines*.

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Closing

We thank you for allowing us to be of service to the Tigerton School District. We received complete cooperation and appreciate your consideration of our comments and your implementation of suggestions.

This information is intended solely for the use by the District Board, management, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
October 21, 2024

TIGERTON SCHOOL DISTRICT

Year End: June 30, 2024

Adjusting journal entries

Date: 7/1/2023 To 6/30/2024

Number	Date	Name	Account No	Debit	Credit
CE01	6/30/2024	GENERAL FUND/A/P ACCRUAL	10 L 811200 GEN-10		-61,000.00
CE01	6/30/2024	GENERAL FUND/INTERDISTRICT PAYMENT/NON-OPEN ENROLL	10 E 800 382 431000 000 GEN-10	61,000.00	
Additional AP entry by client					
AJE01	6/30/2024	FOOD SERVICE FUND/DUE FROM FEDERAL	50 A 715600 FS-50	9,247.00	
AJE01	6/30/2024	FOOD SERVICE FUND/FOOD SERVICE AID-FEDERAL/DISTRIC	50 R 800 717 500000 586 FS-50		-9,247.00
To record summer school lunch receivable/revenue					
AJE02	6/30/2024	GEN. SU	50 E 800 411 257000 546 FS-50	16,372.00	
AJE02	6/30/2024	FOOD SERVICE FUND/DONATED COMMODITIES/DISTRICT WID	50 R 800 714 500000 000 FS-50		-16,372.00
To record commodities revenue					