

# **TIGERTON SCHOOL DISTRICT**

## **Annual Financial Report**

*June 30, 2024*



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# TIGERTON SCHOOL DISTRICT

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## **INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Tigerton School District  
Tigerton, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System (WRS), schedule of changes in total OPEB liability and related ratios – other post-employment benefits – single-employer plan, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits – cost-sharing plan and schedule of revenues, expenditures and change in fund balance – budget and actual – general fund as listed in the table on 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 the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

To the Board of Education  
Tigerton School District

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, schedule of expenditures of federal awards and schedule of state financial assistance, as required by the Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, issued by the Wisconsin Department of Public Instruction are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material aspects 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 October 21, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tigerton School District's internal control over financial reporting and compliance.

*KerberRose SC*

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

## **FINANCIAL STATEMENTS**



**TIGERTON SCHOOL DISTRICT**  
District-Wide Statement of Net Position  
As of June 30, 2024

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 2,506,675
Receivables:	
Taxes	370,793
Accounts	1,231
Due from Other Governments	112,409
Prepaid Items	21,964
<b>Total Current Assets</b>	<u>3,013,072</u>
<b>Noncurrent Assets</b>	
Capital Assets	
Nondepreciable	117,629
Depreciable, net	3,610,496
<b>Total Noncurrent Assets</b>	<u>3,728,125</u>
<b>TOTAL ASSETS</b>	<u>6,741,197</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	1,123,009
Deferred Outflows Related to Other Post-Employment Benefits - Cost-Sharing	52,487
Deferred Outflows Related to Other Post-Employment Benefits - Single-Employer	48,571
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,224,067</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	106,628
Accrued Liabilities	196,216
Unearned Revenue	5,917
Current Portion of Other Post-Employment Benefits - Single-Employer	29,546
<b>Total Current Liabilities</b>	<u>338,307</u>
<b>Noncurrent Liabilities</b>	
Net Pension Liability	132,289
Other Post-Employment Benefits - Cost-Sharing	137,826
Other Post-Employment Benefits - Single-Employer	340,299
<b>Total Noncurrent Liabilities</b>	<u>610,414</u>
<b>TOTAL LIABILITIES</b>	<u>948,721</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pension	707,796
Deferred Inflows Related to Other Post-Employment Benefits - Cost-Sharing	71,027
Deferred Inflows Related to Other Post-Employment Benefits - Single-Employer	24,339
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>803,162</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,728,125
Restricted	2,067,946
Unrestricted	417,310
<b>TOTAL NET POSITION</b>	<u>\$ 6,213,381</u>

See Accompanying Notes

# TIGERTON SCHOOL DISTRICT

District-Wide Statement of Activities

For the Year Ended June 30, 2024

		Program Revenues		Net (Expense)
		Charges For	Operating	Revenue and
	Expenses	Services	Grants and	Changes in Net
			Contributions	Position
GOVERNMENTAL ACTIVITIES				
Instruction:				
Regular Instruction	\$ 1,644,001	\$ 16,666	\$ 576,038	\$ (1,051,297)
Vocational Instruction	172,023	-	-	(172,023)
Physical Instruction	86,995	-	-	(86,995)
Special Instruction	368,223	-	262,882	(105,341)
Other Instruction	187,089	144,523	-	(42,566)
Total Instruction	2,458,331	161,189	838,920	(1,458,222)
Support Services:				
Pupil Services	202,425	-	23,318	(179,107)
Instructional Staff Services	180,212	-	-	(180,212)
General Administration Services	248,431	-	-	(248,431)
School Building Administration Services	168,584	-	-	(168,584)
Business Administration	201,648	-	-	(201,648)
Operations and Maintenance of Plant	613,290	-	-	(613,290)
Pupil Transportation Services	229,471	-	6,826	(222,645)
Food Services	318,822	66,156	201,332	(51,334)
Central Services	207,684	-	-	(207,684)
Insurance	85,005	-	-	(85,005)
Other Support Services	23,621	-	-	(23,621)
Community Services	377,023	229,809	79,012	(68,202)
Interest and Fiscal Charges	1,406	-	-	(1,406)
Depreciation - Unallocated	289,306	-	-	(289,306)
Total Support Services	3,146,928	295,965	310,488	(2,540,475)
Non-Program Transactions:				
Open Enrollment	305,124	195,065	-	(110,059)
Non-Open Enrollment	35,733	-	-	(35,733)
Voucher Payments	9,893	-	-	(9,893)
Revenue Transit to Others	6,077	-	-	(6,077)
Total Non-Program Transactions	356,827	195,065	-	(161,762)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,962,086	\$ 652,219	\$ 1,149,408	(4,160,459)
GENERAL REVENUES				
Property Taxes				1,345,003
State and Federal Aids not Restricted to Specific Functions:				
Equalization, Exempt Computer Aid and Per Pupil Aid				2,375,224
Interest and Investment Earnings				26,942
Miscellaneous				130,404
Total General Revenues				3,877,573
CHANGE IN NET POSITION				(282,886)
NET POSITION - BEGINNING OF YEAR				6,496,267
NET POSITION - END OF YEAR				\$ 6,213,381

See Accompanying Notes

**TIGERTON SCHOOL DISTRICT**

Balance Sheet  
Governmental Funds  
As of June 30, 2024

	<b>General</b>	<b>Special Revenue Trust</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and Investments	\$ 730,844	\$ 1,580,431	\$ 195,400	\$ 2,506,675
Receivables:				
Taxes	370,793	-	-	370,793
Accounts	100	-	1,131	1,231
Due from Other Governments	103,162	-	9,247	112,409
Prepaid Items	21,964	-	-	21,964
<b>TOTAL ASSETS</b>	<b>\$ 1,226,863</b>	<b>\$ 1,580,431</b>	<b>\$ 205,778</b>	<b>\$ 3,013,072</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 104,871	\$ -	\$ 1,757	\$ 106,628
Accrued Liabilities	196,216	-	-	196,216
Unearned Revenue	-	-	5,917	5,917
<b>Total Liabilities</b>	<b>301,087</b>	<b>-</b>	<b>7,674</b>	<b>308,761</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid Items	21,964	-	-	21,964
Restricted				
Unspent Common School Funds	6,487	-	-	6,487
Donor Specified Projects	-	1,580,431	-	1,580,431
Debt Service	-	-	14,680	14,680
Food Service	-	-	76,250	76,250
Community Service	-	-	106,186	106,186
Capital Projects	-	-	988	988
Unassigned	897,325	-	-	897,325
<b>Total Fund Balances</b>	<b>925,776</b>	<b>1,580,431</b>	<b>198,104</b>	<b>2,704,311</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,226,863</b>	<b>\$ 1,580,431</b>	<b>\$ 205,778</b>	<b>\$ 3,013,072</b>

**TIGERTON SCHOOL DISTRICT**Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position  
As of June 30, 2024

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 2,704,311</b>
<b><i>Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:</i></b>		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported in the statement of net position:		
Governmental Capital Assets	\$ 12,170,126	
Governmental Accumulated Depreciation	<u>(8,442,001)</u>	3,728,125
Net pension liability is not payable in the current period therefore not reported in the fund financial statements.		(132,289)
Some deferred outflows and inflows of resources reflect changes in long-term assets or liabilities and are not reported in the funds.		
Deferred Outflows of Resources Related to Pension	1,123,009	
Deferred Inflows of Resources Related to Pension	(707,796)	
Deferred Outflows of Resources Related to OPEB - Cost-Sharing Plan	52,487	
Deferred Inflows of Resources Related to OPEB - Cost-Sharing Plan	(71,027)	
Deferred Outflows of Resources Related to OPEB - Single-Employer Plan	48,571	
Deferred Inflows of Resources Related to OPEB - Single-Employer Plan	<u>(24,339)</u>	420,905
Certain liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:		
Other Post-Employment Benefits - Cost-Sharing	(137,826)	
Other Post-Employment Benefits - Single-Employer	<u>(369,845)</u>	<u>(507,671)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 6,213,381</u></b>

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

	General	Special Revenue Trust	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,330,003	\$ -	\$ 15,000	\$ 1,345,003
Other Local Sources	39,968	161,180	383,144	584,292
Interdistrict Sources	210,737	-	-	210,737
Intermediate Sources	53,057	-	-	53,057
State Sources	2,605,138	-	6,752	2,611,890
Federal Sources	552,746	-	194,580	747,326
Other Sources	13,709	-	472	14,181
<b>Total Revenues</b>	<b>4,805,358</b>	<b>161,180</b>	<b>599,948</b>	<b>5,566,486</b>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Regular Instruction	1,590,083	30,154	-	1,620,237
Vocational Instruction	172,809	-	-	172,809
Physical Instruction	87,455	-	-	87,455
Special Instruction	367,152	-	-	367,152
Other Instruction	95,078	76,252	16,077	187,407
<b>Total Instruction</b>	<b>2,312,577</b>	<b>106,406</b>	<b>16,077</b>	<b>2,435,060</b>
<b>Support Services</b>				
Pupil Services	203,272	-	-	203,272
Instructional Staff Services	255,312	-	-	255,312
General Administration Services	248,571	-	-	248,571
School Building Administration Services	169,843	-	-	169,843
Business Services	202,204	-	-	202,204
Operations and Maintenance	613,335	44,451	-	657,786
Pupil Transportation	346,108	-	6,201	352,309
Food Services	-	-	304,528	304,528
Central Services	205,226	-	-	205,226
Insurance	85,005	-	-	85,005
Other Support Services	29,398	-	-	29,398
Community Services	-	-	377,030	377,030
Debt Service				
Principal	-	-	215,000	215,000
Interest and Fiscal Charges	-	-	6,450	6,450
<b>Total Support Services</b>	<b>2,358,274</b>	<b>44,451</b>	<b>909,209</b>	<b>3,311,934</b>
<b>Non-Program Transactions</b>				
Open Enrollment	305,124	-	-	305,124
Non-Open Enrollment	35,733	-	-	35,733
Voucher Payments	9,893	-	-	9,893
Revenue Transit to Others	-	6,077	-	6,077
<b>Total Non-Program Transactions</b>	<b>350,750</b>	<b>6,077</b>	<b>-</b>	<b>356,827</b>
<b>Total Expenditures</b>	<b>5,021,601</b>	<b>156,934</b>	<b>925,286</b>	<b>6,103,821</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(216,243)</b>	<b>4,246</b>	<b>(325,338)</b>	<b>(537,335)</b>
<b>OTHER FINANCING SOURCE</b>				
Sale of Capital Assets	112,714	-	-	112,714
<b>NET CHANGES IN FUND BALANCES</b>	<b>(103,529)</b>	<b>4,246</b>	<b>(325,338)</b>	<b>(424,621)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>1,029,305</b>	<b>1,576,185</b>	<b>523,442</b>	<b>3,128,932</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 925,776</b>	<b>\$ 1,580,431</b>	<b>\$ 198,104</b>	<b>\$ 2,704,311</b>

**TIGERTON SCHOOL DISTRICT**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (424,621)</b>
<b><i>Amounts reported for governmental activities in the statement of activities are different because:</i></b>	
The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital outlay reported in governmental fund statements	\$ 357,718
Depreciation expense reported in the statement of activities	<u>(356,474)</u>
Amount by which capital outlays are more than depreciation in the current period.	1,244
The District disposed of outdated assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of activities as a net loss and has no effect on the governmental funds balance sheet.	
The value of capital assets disposed of during the year	(221,518)
The amount of depreciation recapture for the year	<u>123,687</u>
Amount by which capital disposals are more than depreciation recapture in the current period.	(97,831)
Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.	23,268
Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financial statements.	(4,990)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of the long-term debt principal payments in the current year is:	
Bonds payable	215,000
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.	
The amount of interest paid during the current period	6,450
The amount of interest accrued during the current period	<u>(4,838)</u>
Interest paid is more than interest accrued by:	1,612
Prior year debt premium, discount and refunding losses are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The amortization for the current year is	
Amortization of bond premium	<u>3,432</u>
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ (282,886)</u></b>

## **TIGERTON SCHOOL DISTRICT**

### **Notes to Financial Statements**

June 30, 2024

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#### **Note 1 – Summary of Significant Accounting Policies**

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

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

#### **Nature of Operations**

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

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

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

#### **District-Wide Financial Statements**

The district-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

#### **Fund Financial Statements**

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

## **TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

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### **Note 1 – Summary of Significant Accounting Policies (Continued)**

#### **Fund Financial Statements (Continued)**

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

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

#### **Governmental Funds**

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

##### General Fund

The general fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

##### Special Revenue Funds

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

##### Debt Service Funds

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

##### Capital Projects Funds

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

#### **Major Funds**

The District reports the following as major governmental funds:

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

Special Revenue Trust Fund – The special revenue trust fund is used to account for trust funds that can be used for District operations. The sources of such funds are gifts and donations from private parties and the related scholarships awarded to individuals.



## **TIGERTON SCHOOL DISTRICT**

### **Notes to Financial Statements**

June 30, 2024

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Nonmajor Funds**

The District reports the following nonmajor funds:

Food Service Fund – This fund accounts for the activities associated with the District's hot lunch and breakfast programs.

Community Service Fund – This fund accounts for the activities related to the community recreation programs.

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

Capital Projects Fund – This fund accounts for and reports financial resources that are set aside for future capital outlays, including the acquisition or construction of major capital expenditures.

##### **Measurement Focus and Basis of Accounting**

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

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

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

##### **Cash and Investments**

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

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

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

## **TIGERTON SCHOOL DISTRICT**

### **Notes to Financial Statements**

June 30, 2024

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Accounts Receivable**

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

##### **Property Tax Levy**

The aggregate District tax levy is apportioned and certified by November 6<sup>th</sup> of the current fiscal year for collection by comprising municipalities based on the immediate past October 1<sup>st</sup> full or “equalized” taxable property values. As permitted by a collecting municipality’s ordinance, taxes may be paid in full or in two or more installments with the first installment payable by the subsequent January 31<sup>st</sup> and a final payment no later than the following July 31<sup>st</sup>. On or before January 15<sup>th</sup>, and by the twentieth of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20<sup>th</sup>, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

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

##### **Interfund Activity**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers in the fund financial statements. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation in the statement of net position and are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

##### **Capital Assets**

In the district-wide statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at actual or estimated historical cost if actual cost is unavailable, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows: Buildings, improvements, vehicles and equipment are capitalized using a capitalization threshold of \$5,000 and an extended period of use greater than one year. All depreciable capital assets are depreciated on a straight-line basis with estimated useful lives for land improvements, buildings and improvements of 10-50 years and vehicles and equipment of 5-7 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition.

## **TIGERTON SCHOOL DISTRICT**

### **Notes to Financial Statements**

June 30, 2024

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#### **Note 1 – Summary of Significant Accounting Policies (Continued)**

##### **Unearned Revenues**

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

##### **Leases**

The District follows GASB Statement No. 87, which requires recognition of certain lease assets and liabilities for leases and recognizes as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying assets. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There were no material leases that were required to be recorded for the year ended June 30, 2024.

##### **Subscription-Based Information Technology Agreements**

The District follows GASB Statement No. 96, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the District to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended June 30, 2024.

##### **Long-Term Obligations**

In the district-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. Bonds payable are reported net of the applicable bond premium or discount. Principal payments decrease the long-term debt liability on the statement of net position and do not affect the statement of activities. Interest is reported as an expense in the statement of activities on an accrual basis.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Principal and interest payments are reported as debt service expenditures.

##### **Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the District that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the District that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses and revenues are deferred until the future periods to which the outflows and inflows are applicable. See Note 6 for deferred outflows and inflows of resources related to pension and Notes 7 and 8 for OPEB.

## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

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#### Note 1 – Summary of Significant Accounting Policies (Continued)

##### Pension and Other Post-Employment Benefits

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

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

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

**Single-employer Defined Postemployment Benefit Plan.** The District provides health care insurance coverage for employees who retire until they reach the age of 65. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms.

**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 following:

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

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

##### Claims and Judgments

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

## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

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#### Note 1 – Summary of Significant Accounting Policies (Continued)

##### Fund Equity Classifications

###### District-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – 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 legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

###### Fund Financial Statements

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

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

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

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

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

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

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

The District has not adopted a minimum fund balance policy.

## TIGERTON SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from these estimates.

### Note 2 – Cash and Investments

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

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

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

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

At June 30, 2024 the bank balance of cash was \$2,583,775. The District maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

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

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at June 30, 2024, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of June 30, 2024:

Fully Insured Deposits	\$ 659,988
Collateralized with securities held by the pledging financial institution in the District's name	1,923,787
Total	<u>\$2,583,775</u>

**TIGERTON SCHOOL DISTRICT**

## Notes to Financial Statements

June 30, 2024

**Note 2 – Cash and Investments (Continued)**

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2024, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements. Investments in the local government investment pool are not insured against losses arising from principal defaults on securities acquired by the pool. The balance in the local government investment pool at June 30, 2024 was \$11,976.

The District also has invested funds with the Wisconsin Investment Series Cooperative (WISC). The WISC operates three investment pools that allow governments within the state to pool their funds for investment purposes. The WISC is not registered with the Securities and Exchange Commission as an investment company but does operate in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. The District did not have any balance as of June 30, 2024.

The District's investments in WISC and LGIP are measured at amortized cost, which approximates fair value. Adjustments necessary to record investments at amortized cost are recorded in the statement of revenues, expenditures and changes in fund balances.

**Note 3 – Capital Assets**

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 117,629	\$ -	\$ -	\$ 117,629
Capital Assets, Depreciable				
Land Improvements	248,920	-	-	248,920
Buildings and Improvements	9,185,788	-	-	9,185,788
Machinery and Equipment	2,481,589	357,718	(221,518)	2,617,789
<b>Total Capital Assets, Depreciable</b>	<b>11,916,297</b>	<b>357,718</b>	<b>(221,518)</b>	<b>12,052,497</b>
Less Accumulated Depreciation for				
Land Improvements	219,674	1,821	-	221,495
Buildings and Improvements	5,982,326	247,833	-	6,230,159
Machinery and Equipment	2,007,214	106,820	(123,687)	1,990,347
Total Accumulated Depreciation	8,209,214	356,474	(123,687)	8,442,001
<b>Total Capital Assets, Depreciable, Net</b>	<b>3,707,083</b>	<b>1,244</b>	<b>(345,205)</b>	<b>3,610,496</b>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 3,824,712</b>	<b>\$ 1,244</b>	<b>\$ (345,205)</b>	<b>\$ 3,728,125</b>

**TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

**Note 3 – Capital Assets (Continued)**

Depreciation expense for the fiscal year ended June 30, 2024 amounted to \$356,474 was charged to functions as follows:

Governmental	
Instruction	
Regular Instruction	\$ 31,652
Support Services	
General Administration Services	14,707
Food Service Operations	1,177
Operating and Maintenance	2,462
Central Services	6,449
Pupil Transportation	10,721
Depreciation-Unallocated	289,306
	<u>\$ 356,474</u>

**Note 4 – Long-Term Obligations**

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2024:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amount Due Within One Year</u>
General Obligation Debt					
Refinancing Bonds	\$ 215,000	\$ -	\$ 215,000	\$ -	\$ -
Debt Premium	3,432	-	3,432	-	-
Total Long-Term Obligations	<u>\$ 218,432</u>	<u>\$ -</u>	<u>\$ 218,432</u>	<u>\$ -</u>	<u>\$ -</u>

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District.

The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$208,193,419. The legal debt limit and margin of indebtedness as of June 30, 2024, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Equalized valuation of the District	\$ 208,193,419
Statutory limitation percentage	10%
Legal margin for new debt	<u>\$ 20,819,342</u>



## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

#### Note 5 – Net Position

##### District-Wide Statements

Net position reported on the district-wide statement of net position at June 30, 2024 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 3,728,125
Restricted:	
Debt Retirement	14,680
Donor Intentions	1,580,431
Capital Projects	988
Food Service	76,250
Community Service	106,186
Unspent Common School Funds	6,487
Pension Benefits	282,924
Total Restricted	2,067,946
Unrestricted	417,310
Total Net Position	\$ 6,213,381

#### Note 6 – Defined Benefit Pension Plan

##### General Information About the Pension Plan

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

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

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

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

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

## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

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#### Note 6 – Defined Benefit Pension Plan (Continued)

##### **General Information About the Pension Plan**

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

# TIGERTON SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

## Note 6 – Defined Benefit Pension Plan (Continued)

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

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

**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 \$114,675 in contributions from the District.

Contribution rates as of June 30, 2024 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including teachers)	6.90%	6.90%

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

At June 30, 2024, the District reported a liability of \$132,289 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 0.00889753%, which was a decrease of 0.00012258% from its proportion measured as of December 31, 2022.

**TIGERTON SCHOOL DISTRICT**

## Notes to Financial Statements

June 30, 2024

**Note 6 – Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2024, the District recognized pension expense of \$91,534.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experiences	\$ 533,387	\$ 706,475
Changes in assumptions	57,660	-
Net differences between projected and actual earnings on pension plan investments	461,006	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	170	1,321
Employer contributions subsequent to the measurement date	70,786	-
<b>Total</b>	<b>\$ 1,123,009</b>	<b>\$ 707,796</b>

The \$70,786 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2025	\$ 70,400
2026	73,811
2027	289,073
2028	(88,857)
	<b>\$ 344,427</b>

# TIGERTON SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

### Note 6 – Defined Benefit Pension Plan (Continued)

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

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

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 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 on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

#### Asset Allocation Targets and Expected Returns<sup>1</sup> As of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Public Equity	40%	7.3%	4.5%
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage <sup>3</sup>	(12)	3.7	1.0
Total Core Fund	112% *	7.4%	4.6%
Variable Fund Asset Class			
U.S. Equities	70%	6.8%	4.0%
International Equities	30	7.6	4.8
Total Variable Fund	100%	7.3%	4.5%

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

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

<sup>3</sup>The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%

## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

#### Note 6 – Defined Benefit Pension Plan (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 (Asset) to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,278,637	\$ 132,289	\$ (669,859)

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

**Payables to the Pension Plan.** The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS as of June 30, 2024 is \$46,564 for June payroll.

#### Note 7 – Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan

##### Plan Description

**Plan Administration.** The Tigerton School District operates a single-employer retiree benefit plan that provides post-employment health benefits to eligible employees and their spouses. This plan is described below.

**Administrators and Teachers.** The District provides post-employment health benefits to any teachers who have reached age 55 and taught 15 years in the District. These early retirees receive a maximum of 18% of their final three years average contract pay which can be used to offset premiums on health and/or dental insurance. Surviving spouse and/or dependents shall be eligible to use any portion of the benefit as if the person did not die before the benefit was utilized.

Administrators and teachers hired on or after July 1, 2011 are not eligible for a District-provided post-employment benefit upon their retirement.

**Benefits Provided.** The plan provides healthcare benefits for retirees and their dependents.

# TIGERTON SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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## Note 7 – Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)

**Employees covered by benefit terms.** At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	41
	<u>44</u>

**Contributions.** For the year ended June 30, 2024, the District made no contributions to the trust.

### Total OPEB Liability

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

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

Inflation:	2.50%
Salary increases:	3.00%
Healthcare cost trend rates:	7.00% decreasing by 0.10% per year down to 6.50% and level thereafter

Mortality rates were based on the Wisconsin 2020 Mortality Table.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study conducted in 2021 using experience from 2018-2020.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 4.13 percent as of the actuarial valuation date.

**TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

**Note 7 – Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)**

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability (a)</b>
<b>Balance at 6/30/2022</b>	\$ 373,764
<b>Changes for the Year:</b>	
Service Cost	11,365
Interest	14,478
Differences Between Expected and Actual Experiences	19,162
Changes of Assumptions or Other Input	(13,924)
Benefit Payments	(35,000)
<b>Net Changes</b>	<u>(3,919)</u>
<b>Balance at 6/30/2023</b>	<u>\$ 369,845</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.** The following presents the District's total OPEB liability calculated using the discount rate of 4.13 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
<b>Total OPEB Liability</b>	\$ 384,824	\$ 369,845	\$ 355,222

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.** The following presents the District's total OPEB liability calculated using the current healthcare cost trend rate of 7.0 percent decreasing to 4.5 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.0% decreasing to 5.50 percent) than the current rate:

	<b>1% Decrease (6.0% decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)</b>	<b>1% Increase (8.0% decreasing to 5.5%)</b>
<b>Total OPEB Liability</b>	\$ 369,622	\$ 369,845	\$ 370,088



**TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

**Note 7 – Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan (Continued)****OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$23,769.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between OPEB plan - projected and actual experiences	\$ 14,385	\$ -
Changes in assumptions	4,388	24,339
Net differences between OPEB plan - projected and actual earnings on OPEB plan investments	252	-
Employer contributions subsequent to the measurement date	29,546	-
<b>Total</b>	<b>\$ 48,571</b>	<b>\$ 24,339</b>

The \$29,546 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2025	\$ (1,053)
2026	(5,586)
2027	1,325
	<b>\$ (5,314)</b>

**Note 8 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan****General Information About the Other Post-Employment Benefits Plan**

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

## TIGERTON SCHOOL DISTRICT

### Notes to Financial Statements

June 30, 2024

#### Note 8 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

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

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

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

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

Contribution rates as of June 30, 2024 are:

Coverage Type	Employee
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:

**Life Insurance  
Member Contribution Rates \*  
For the Year Ended December 31, 2023**

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

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

During the reporting period, the LRLIF recognized \$629 in contributions from the District.

**TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

**Note 8 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)*****OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At June 30, 2024, the District reported a liability of \$137,826 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 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 0.02995800%, which was an increase of 0.00111800% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$11,389.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experiences	\$ -	\$ 12,197
Changes in assumptions	43,114	54,273
Net differences between projected and actual earnings on plan investments	1,862	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,192	4,557
Employer contributions subsequent to the measurement date	319	-
<b>Total</b>	<b>\$ 52,487</b>	<b>\$ 71,027</b>

**TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

**Note 8 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)**

The \$319 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2025	\$ (345)
2026	1,375
2027	(4,747)
2028	(9,256)
2029	(8,174)
Thereafter	2,288
	<u>\$ (18,859)</u>

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
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	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO index.

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

# TIGERTON SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

## Note 8 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	50	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

**Single Discount Rate.** A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The 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.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.32 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
<b>District's Proportionate Share of the Net OPEB Liability</b>	\$ 185,189	\$ 137,826	\$ 101,673

**Payables to the OPEB Plan.** The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The District has no amount due to LRLIF for Life Insurance Benefits as of June 30, 2024.

## **TIGERTON SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2024

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### **Note 9 – Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount has been approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

### **Note 10 – Risk Management**

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

### **Note 11 – Contingencies and Commitments**

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

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2024, are not likely to have a material adverse impact on the District's financial position.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# TIGERTON SCHOOL DISTRICT

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

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension (Asset)/Liability	District's Proportionate Share of the Net Pension (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2023	0.00889753%	\$ 132,289	\$ 1,687,748	7.84%	98.85%
12/31/2022	0.00902011%	477,858	1,615,941	29.57%	95.72%
12/31/2021	0.00902110%	(727,117)	1,574,852	46.17%	106.02%
12/31/2020	0.00888947%	(554,981)	1,505,991	36.85%	105.26%
12/31/2019	0.00865233%	(278,990)	1,425,683	19.57%	102.96%
12/31/2018	0.00898206%	319,553	1,342,352	23.81%	96.45%
12/31/2017	0.00883221%	(262,238)	1,260,073	20.81%	102.93%
12/31/2016	0.00895042%	73,773	1,210,473	6.09%	99.12%
12/31/2015	0.00867448%	140,959	1,173,549	12.01%	98.20%
12/31/2014	0.00880231%	(216,149)	1,209,758	17.87%	102.74%

## Schedule of Employer Contributions Wisconsin Retirement System (WRS)

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 114,675	\$ 114,675	\$ -	\$ 1,671,312	6.86%
6/30/2023	122,766	122,766	-	1,840,593	6.67%
6/30/2022	91,283	91,283	-	1,382,619	6.60%
6/30/2021	103,727	103,727	-	1,536,693	6.75%
6/30/2020	96,661	96,661	-	1,447,692	6.68%
6/30/2019	96,279	96,279	-	1,457,068	6.61%
6/30/2018	82,524	82,524	-	1,224,608	6.74%
6/30/2017	82,444	82,444	-	1,225,373	6.73%
6/30/2016	78,197	78,197	-	1,172,594	6.67%
6/30/2015	81,448	81,448	-	1,185,437	6.87%

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



**TIGERTON SCHOOL DISTRICT**  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Other Post-Employment Benefits - Single-Employer Plan  
Last 10 Measurement Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 11,365	\$ 14,617	\$ 16,053	\$ 12,723	\$ 12,125	\$ 12,651	\$ 12,651
Interest	14,478	9,109	9,559	14,835	16,868	16,855	18,154
Differences Between Expected and Actual Experience	19,162	-	56	-	(7,127)	-	-
Changes of Assumptions or Other Input	(13,924)	(27,794)	-	21,932	1,512	(5,109)	-
Benefit Payments	(35,000)	(39,385)	(50,530)	(49,802)	(49,475)	(62,294)	(73,532)
<b>Net Change in Total OPEB Liability</b>	<u>(3,919)</u>	<u>(43,453)</u>	<u>(24,862)</u>	<u>(312)</u>	<u>(26,097)</u>	<u>(37,897)</u>	<u>(42,727)</u>
<b>Total OPEB Liability - Beginning</b>	<u>373,764</u>	<u>417,217</u>	<u>442,079</u>	<u>442,391</u>	<u>468,488</u>	<u>506,385</u>	<u>549,112</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 369,845</u></u>	<u><u>\$ 373,764</u></u>	<u><u>\$ 417,217</u></u>	<u><u>\$ 442,079</u></u>	<u><u>\$ 442,391</u></u>	<u><u>\$ 468,488</u></u>	<u><u>\$ 506,385</u></u>
Covered-Employee Payroll	\$ 2,029,918	\$ 523,000	\$ 523,000	\$ 539,125	\$ 539,125	\$ 503,625	\$ 503,625
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.22%	71.47%	78.17%	80.44%	75.33%	90.55%	98.10%

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

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

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2023	0.02995800%	\$ 137,826	\$ 1,141,000	12.08%	33.90%
12/31/2022	0.02884000%	109,875	1,131,000	9.71%	38.81%
12/31/2021	0.02968500%	175,449	1,121,000	15.65%	29.57%
12/31/2020	0.03047900%	167,657	1,190,000	14.09%	31.36%
12/31/2019	0.02988000%	127,235	1,134,000	11.22%	37.58%
12/31/2018	0.02833200%	73,106	1,078,000	6.78%	48.69%
12/31/2017	0.02794700%	84,081	1,178,251	7.14%	44.81%

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

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 629	\$ 629	\$ -	\$ 950,000	0.07%
6/30/2023	606	606	-	1,146,000	0.05%
6/30/2022	508	508	-	906,000	0.06%
6/30/2021	1,137	1,137	-	1,179,000	0.10%
6/30/2020	1,130	1,130	-	1,447,692	0.08%
6/30/2019	545	545	-	1,457,068	0.04%
6/30/2018	530	530	-	1,224,608	0.04%

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

**TIGERTON SCHOOL DISTRICT**  
Schedule of Revenues, Expenditures and Change in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Property Taxes	\$ 1,330,321	\$ 1,330,321	\$ 1,330,003	\$ (318)
Other Local Sources	22,860	31,000	39,968	8,968
Interdistrict Sources	213,714	213,714	210,737	(2,977)
Intermediate Sources	7,000	7,000	14,004	7,004
State Sources	2,536,437	2,516,184	2,527,777	11,593
Federal Sources	386,970	403,939	406,278	2,339
Other Sources	7,000	7,000	13,709	6,709
<b>Total Revenues</b>	<b>4,504,302</b>	<b>4,509,158</b>	<b>4,542,476</b>	<b>33,318</b>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Regular Instruction	1,606,744	1,592,426	1,590,083	2,343
Vocational Instruction	171,509	169,981	172,809	(2,828)
Physical Instruction	86,043	85,276	87,455	(2,179)
Other Instruction	113,156	112,148	95,078	17,070
<b>Total Instruction</b>	<b>1,977,452</b>	<b>1,959,831</b>	<b>1,945,425</b>	<b>14,406</b>
<b>Support Services</b>				
Pupil Services	90,619	99,083	104,176	(5,093)
Instructional Staff Services	191,368	187,212	219,997	(32,785)
General Administration Services	216,223	217,860	248,571	(30,711)
School Building Administration Services	147,741	182,872	169,843	13,029
Business Administration	175,890	184,092	202,204	(18,112)
Operations and Maintenance	533,519	580,004	613,335	(33,331)
Pupil Transportation	300,176	244,267	345,083	(100,816)
Central Services	178,519	181,000	205,226	(24,226)
Insurance	73,943	96,150	85,005	11,145
Other Support Services	25,573	36,000	29,398	6,602
<b>Total Support Services</b>	<b>1,933,571</b>	<b>2,008,540</b>	<b>2,222,838</b>	<b>(214,298)</b>
<b>Non-Program Transactions</b>				
Open Enrollment	284,394	284,394	220,032	64,362
Non-Open Enrollment	31,500	31,500	85,092	(53,592)
Voucher Payments	-	-	9,893	(9,893)
<b>Total Non-Program Transactions</b>	<b>315,894</b>	<b>315,894</b>	<b>315,017</b>	<b>877</b>
<b>Total Expenditures</b>	<b>4,226,917</b>	<b>4,284,265</b>	<b>4,483,280</b>	<b>(199,015)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>277,385</b>	<b>224,893</b>	<b>59,196</b>	<b>(165,697)</b>
<b>OTHER FINANCING SOURCE (USE)</b>				
Sale of Capital Assets	-	-	112,714	112,714
Transfer to Special Education Fund	(282,000)	(282,000)	(275,439)	6,561
<b>Total Other Financing Source (Use)</b>	<b>(282,000)</b>	<b>(282,000)</b>	<b>(162,725)</b>	<b>119,275</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,615)</b>	<b>(57,107)</b>	<b>(103,529)</b>	<b>(46,422)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,029,305</b>	<b>1,029,305</b>	<b>1,029,305</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,024,690</b>	<b>\$ 972,198</b>	<b>\$ 925,776</b>	<b>\$ (46,422)</b>

**TIGERTON SCHOOL DISTRICT**  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2024

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**Budgets and Budgetary Accounting**

Operating budgets are adopted each fiscal year for all governmental funds except the special revenue trust in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

The District follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- a. Based upon requests from district staff, district administration recommends budget proposals to the School Board.
- b. The School Board reviews a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the School Board may make alterations to the proposed budget.
- d. Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations, unless authorized by a 2/3 vote of the entire School Board.
- e. Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as committed or assigned fund balance.

The District did not adopt a budget for the major special revenue trust fund, therefore a budget to actual comparison schedule is not presented in the required supplementary information for this major special revenue fund.

**Basis of Accounting**

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the financial statements. There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balance provided as part of the notes to the required supplementary information.

**Excess of Actual Expenditures Over Budget**

The general fund had an excess of actual expenditures over budget for the year ended June 30, 2024 in the following functions:

Individual Function	Excess Expenditures
Vocational Instruction	\$ 2,828
Physical Instruction	2,179
Pupil Services	5,093
Instructional Staff Services	32,785
General Administration Services	30,711
Business Administration	18,112
Operations and Maintenance	33,331
Pupil Transportation	100,816
Central Services	24,226
Non-Open Enrollment	53,592
Voucher Payments	9,893

**TIGERTON SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Continued  
For the Year Ended June 30, 2024

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**Budget-to-Actual Reconciliation**

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

	<u><b>General Fund</b></u>
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Source" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 4,655,190
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	<u>262,882</u>
Total Revenues and Other Financing Source as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	<u><u>\$ 4,918,072</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Uses" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 4,758,719
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	538,321
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	<u>(275,439)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u><u>\$ 5,021,601</u></u>

### **Defined Benefit Pension Plan**

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

*Changes of assumptions.*

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

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

### **Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan**

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

*Changes of assumptions.* The discount rate changed from 4.00% to 4.13%.

### **Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan**

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

*Changes of assumptions.* In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below. The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

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

## **SUPPLEMENTARY INFORMATION**

**TIGERTON SCHOOL DISTRICT**

Combining Balance Sheet  
Nonmajor Governmental Funds  
As of June 30, 2024

	<b>Capital Projects</b>	<b>Food Service</b>	<b>Community Services</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>					
Cash and Investments	\$ 988	\$ 71,976	\$ 107,756	\$ 14,680	\$ 195,400
Receivables:					
Accounts	-	1,131	-	-	1,131
Due from Other Governments	-	9,247	-	-	9,247
<b>Total Assets</b>	<u>\$ 988</u>	<u>\$ 82,354</u>	<u>\$ 107,756</u>	<u>\$ 14,680</u>	<u>\$ 205,778</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 187	\$ 1,570	\$ -	\$ 1,757
Unearned Revenue	-	5,917	-	-	5,917
<b>Total Liabilities</b>	<u>-</u>	<u>6,104</u>	<u>1,570</u>	<u>-</u>	<u>7,674</u>
<b>FUND BALANCES</b>					
Restricted	<u>988</u>	<u>76,250</u>	<u>106,186</u>	<u>14,680</u>	<u>198,104</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 988</u>	<u>\$ 82,354</u>	<u>\$ 107,756</u>	<u>\$ 14,680</u>	<u>\$ 205,778</u>



**TIGERTON SCHOOL DISTRICT**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	<u>Capital Projects</u>	<u>Food Service</u>	<u>Community Services</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
Other Local Sources	2	66,156	308,821	8,165	383,144
State Sources	-	6,752	-	-	6,752
Federal Sources	-	194,580	-	-	194,580
Other Sources	-	300	172	-	472
<b>Total Revenues</b>	<u>2</u>	<u>267,788</u>	<u>323,993</u>	<u>8,165</u>	<u>599,948</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Other Instruction	-	-	16,077	-	16,077
<b>Support Services:</b>					
Pupil Transportation	-	-	6,201	-	6,201
Food Services	-	304,528	-	-	304,528
Community Services	-	-	377,030	-	377,030
Debt Service					
Principal	-	-	-	215,000	215,000
Interest and Fiscal Charges	-	-	-	6,450	6,450
<b>Total Support Services</b>	<u>-</u>	<u>304,528</u>	<u>383,231</u>	<u>221,450</u>	<u>909,209</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2</u>	<u>(36,740)</u>	<u>(75,315)</u>	<u>(213,285)</u>	<u>(325,338)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>986</u>	<u>112,990</u>	<u>181,501</u>	<u>227,965</u>	<u>523,442</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 988</u>	<u>\$ 76,250</u>	<u>\$ 106,186</u>	<u>\$ 14,680</u>	<u>\$ 198,104</u>

## **ADDITIONAL REPORTS**

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

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

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

To the Board of Education  
Tigerton School District

### **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*.

### **District's Responses to Findings**

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

### **Purpose of this Report**

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

*KerberRose SC*

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND  
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE, STATE SINGLE AUDIT GUIDELINES AND THE WISCONSIN  
DEPARTMENT OF PUBLIC INSTRUCTION**

To the Board of Education  
Tigerton School District  
Tigerton, Wisconsin

**Report on Compliance for The Major Federal and State Programs**

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

We have audited the Tigerton School District's (District) compliance with the types of compliance requirements OMB *Compliance Supplement*, *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on the Major Federal and State Programs***

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

To the Board of Education  
Tigerton School District

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

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

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

*KerberRose SC*

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

## **FEDERAL AND STATE AWARDS SECTION**



**TIGERTON SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2023	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2024	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
<i>CHILD NUTRITION CLUSTER</i>								
School Breakfast Program	10.553	WI DPI	2024-585740-DPI-SB-SEVERE-546	\$ -	\$ 55,331	\$ -	\$ 55,331	\$ -
National School Lunch Program	10.555	WI DPI	2024-585740-DPI-NSL-547	-	104,368	-	104,368	-
Donated Commodities	10.555	WI DPI	2024-585740-DPI-NSL-547	-	16,372	-	16,372	-
<i>Total National School Lunch Program</i>				-	120,740	-	120,740	-
Summer Food Service Program	10.559	WI DPI	2024-585740-DPI-SFSP-561	(11,722)	20,212	9,247	17,737	-
<i>Total Child Nutrition Cluster</i>				(11,722)	196,283	9,247	193,808	-
Local Food for Schools	10.185	WI DPI	2024-585740-DPI-SFSP-566	-	772	-	772	-
<b>Total U.S. Department of Agriculture</b>				(11,722)	197,055	9,247	194,580	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2023-585740-DPI-TI-A-141	(25,839)	25,839	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2024-585740-DPI-TI-A-141	-	48,220	20,940	69,160	-
<i>Total Title I Grants to Local Educational Agencies</i>				(25,839)	74,059	20,940	69,160	-
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2023-585740-DPI FLOW-341	(7,461)	7,461	-	-	-
Special Education Grants to States	84.027	WI DPI	2024-585740-DPI-FLOW-341	-	52,228	5,902	58,130	-
Special Education Preschool Grants	84.173	WI DPI	2024-585740-DPI-PRESCH-346	-	332	-	332	-
Special Education Preschool Grants	84.173	WI DPI	2024-585740-DPI-PRESCH-347	-	4,623	-	4,623	-
<i>Total Special Education Cluster</i>				(7,461)	64,644	5,902	63,085	-
Career and Technical Education - Basic Grants to States	84.048	CESA	2024-585740-DPI-CTE-400	-	4,212	-	4,212	-
Small, Rural School Achievement Program	84.358A	Direct Program	Not Available	-	23,269	-	23,269	-
Improving Teacher Quality State Grants	84.367	WI DPI	2023-585740-DPI-TIIA-365	(457)	457	-	-	-
Improving Teacher Quality State Grants	84.367	WI DPI	2024-585740-DPI-TIIA-365	-	206	1,166	1,372	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2023-585740-DPI-TIVA-381	(3,497)	3,497	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2024-585740-DPI-TIVA-381	-	9,835	165	10,000	-
Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2023-585740-DPI-ESSERFII-165	(48,274)	48,274	-	-	-
Elementary and Secondary School Emergency Relief - ARP ESSER	84.425U	WI DPI	2024-585740-DPI-ESSERFIII-165	-	272,456	66,963	339,419	-
<b>Total U.S. Department of Education</b>				(85,528)	500,909	95,136	510,517	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	CESA	Not Available	-	1,192	-	1,192	-
<i>MEDICAID CLUSTER</i>								
Medical Assistance Program	93.778	WI DHS	Unknown	-	46,441	-	46,441	-
<b>Total U.S. Department of Health and Human Services</b>				-	47,633	-	47,633	-
<b>TOTAL FEDERAL ASSISTANCE</b>				<u>\$ (97,250)</u>	<u>\$ 745,597</u>	<u>\$ 104,383</u>	<u>\$ 752,730</u>	<u>\$ -</u>
Reconciliation to the basic financial statements:								
Governmental Funds								
Federal Sources							\$ 747,326	
Intermediate Sources							5,404	
Total expenditures of federal awards							<u>\$ 752,730</u>	

The accompanying notes are an integral part of this schedule.

**TIGERTON SCHOOL DISTRICT**  
Schedule of State Financial Assistance  
For the Year Ended June 30, 2024

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/2023	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2024	Total Expenditures	Subrecipient Payments
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>								
Special Education and School Age Parents	255.101	Direct Program	585740-100	\$ -	\$ 77,361	\$ -	\$ 77,361	\$ -
Special Education and School Age Parents	255.101	CESA	585740-100	-	31,302	-	31,302	-
Special Education and School Age Parents	255.101	Marion SD	585740-100	-	7,751	-	7,751	-
State School Lunch Aid	255.102	Direct Program	585740-107	-	1,875	-	1,875	-
Common School Fund Library Aid	255.103	Direct Program	585740-104	-	23,318	-	23,318	-
General Transportation Aid	255.107	Direct Program	585740-102	-	6,826	-	6,826	-
School Day Milk Program	255.115	Direct Program	585740-110	-	2,568	-	2,568	-
Equalization Aids	255.201	Direct Program	585740-116	-	2,073,024	-	2,073,024	-
Sparsity Aid	255.212	Direct Program	585740-162	-	105,519	-	105,519	-
School Based Mental Health Services	255.297	Direct Program	585740-177	-	8,580	-	8,580	-
State School Breakfast Aid SSBA	255.344	Direct Program	585740-108	-	2,309	-	2,309	-
Achievement Gap Reduction	255.504	Direct Program	585740-160	-	111,035	-	111,035	-
Educator Effective Evaluation System	255.940	Direct Program	585740-154	-	2,080	-	2,080	-
Per Pupil Aid	255.945	Direct Program	585740-113	-	192,920	-	192,920	-
Career and Technical Education Incentive Grants	255.950	Direct Program	585740-171	-	714	-	714	-
Assessments of Reading Readiness	255.956	Direct Program	585740-166	-	881	-	881	-
<b>TOTAL STATE PROGRAMS</b>				<u>\$ -</u>	<u>\$ 2,648,063</u>	<u>\$ -</u>	<u>\$ 2,648,063</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds

State sources	\$ 2,611,890
Intermediate sources	39,053

Less: State sources not considered state financial assistance

State tax exempt aid	(2,542)
Payment in lieu of taxes and other revenues	(338)

Total expenditures of state awards	<u>\$ 2,648,063</u>
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## TIGERTON SCHOOL DISTRICT

### Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance June 30, 2024

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#### **Note 1 – Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of Tigerton School District under programs of the federal and state governments for the year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State Single Audit Guidelines*. Because the schedules present only a select portion of operations of the District, they are not intended to, and do not, present the financial position and change in net position of the District.

#### **Note 2 – Summary of Significant Accounting Policies**

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

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

#### **Note 3 – Special Education and School Age Parents Program**

2023 - 2024 eligible costs under the State Special Education Program are \$310,897.

#### **Note 4 – Oversight Agencies**

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

**TIGERTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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

**Financial Statements**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	None Reported
Noncompliance material to the financial statements?	No

**Federal Awards**

Internal control over financial reporting:	
Material weaknesses identified?	None
Significant deficiencies identified?	None Reported
Type of auditors’ report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

<b>ALN</b>	<b>Name of Federal Program</b>
84.425U	Elementary and Secondary School Emergency Relief – ARP ESSER

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	No

**State Awards**

Internal control over financial reporting:	
Material weaknesses identified?	None
Significant deficiencies identified?	None Reported
Type of auditors’ report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required in accordance with <i>State Single Audit Guidelines</i> or the Wisconsin Department of Public Instruction Audit Manual?	No
Identification of major state programs:	

<b>State I.D. Number</b>	<b>Name of State Program</b>
255.201	General Aids Cluster General Equalization Aid

**TIGERTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

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**Section II - Financial Statement Findings**

**Finding No.**

**2024-001**

**Segregation of Duties**

**Prior Year Audit Finding:** 2023-001

**Criteria:** Board of Education and management are responsible for establishing and maintaining internal controls over financial reporting to prevent misstatements in their financial reporting.

**Condition:** During our audit, we noted that many of the accounting functions are performed by a few individuals, including opening the mail, recording receipts, recording invoices, transporting the bank deposit, preparing checks, and mailing the checks. These same individuals have the ability to record journal entries and reconcile accounts.

**Cause:** Due to limited staff, management is unable to properly segregate duties.

**Effect:** Because of the lack of segregation of duties, unauthorized transactions or misstatements as a result of errors could occur.

**Recommendation:** We recognize that the District is not large enough to make the employment of additional persons for the purpose of segregation of duties practical from a financial standpoint. We recommend the District have bank reconciliations and journal entries reviewed and approved by someone other than the preparer. Furthermore, the Board of Education should rely on their direct knowledge of the District's operations and thoroughly review financial reports to control and safeguard assets and insure accurate financial reporting.

**Management's Response:** The District is aware of the lack of segregation of duties caused by the limited size of its staff and therefore, agrees with this finding. The District will continue to improve the segregation of duties wherever possible and will continue to have the Board of Education's involvement in the review and approval process as much as is practical.

**Responsible Official:** Louise Fischer, Business Manager

**Anticipated Completion Date:** This finding will not completely resolve itself given the size of the District and the limited staff.

**TIGERTON SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2024

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**Section II - Financial Statement Findings – Continued**

**Finding No.**

**2024-002**

**Financial Reporting**

**Prior Year Audit Finding:** 2023-002

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

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

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

**Effect:** Although the auditors are assisting with the preparation of the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy. The outsourcing is a result of management's cost/benefit decision to use our accounting expertise rather than incurring this internal resource cost.

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

**Management's Response:** The District accepts this finding. The District will continue to utilize the auditors to prepare the financial statements and related notes. Management of the District thoroughly reviews the financial statements and related notes by comparing the audited financial statements to the District's internally generated reports and accepts responsibility for those statements' completeness and accuracy.

**Responsible Official:** Louise Fischer, Business Manager

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

**Section III - Federal Award Findings**

There were no findings for federal awards.

**Section IV - State Award Findings**

There were no findings for state awards.

**Section V - Other Issues**

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

**TIGERTON SCHOOL DISTRICT**  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024

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**FINANCIAL STATEMENT FINDINGS**

**2023-001 – Segregation of Duties** – Repeated as finding 2024-001.

**2023-002 – Preparation of Schedule of Federal and State Awards** – No finding in the current year.

**2023-003 – Financial Reporting** – Repeated as finding 2024-002.



# SCHOOL DISTRICT OF TIGERTON

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## **Corrective Action Plan**

### **Financial Statement Findings**

**2024-001 – Segregation of Duties** – The District is aware of the lack of segregation of duties caused by the limited size of its staff. Segregation of duties is enhanced whenever possible and the Board of Education assumes an active roll through monthly review of disbursement transactions and monthly financial statements.

**Responsible Official** - Louise Fischer, Business Manager

**Anticipated Completion Date** - This finding will not completely resolve itself given the size of the District and the limited staff.

**2024-002 – Financial Reporting** – The District will continue to utilize the auditors to assist with the preparation of the financial statements and related notes. Management of the District thoroughly reviews the financial statements and related notes by comparing the audited financial statements to the District's internally generated reports and accepts responsibility for those statements' completeness and accuracy.

**Responsible Official** - Louise Fischer, Business Manager

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

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**Tigerton Elementary**  
500 Elm St  
PO Box 370  
Tigerton, WI 54486

**District Office**  
213 Spaulding St  
PO Box 10  
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**Tigerton Middle/High School**  
213 Spaulding St  
PO Box 40  
Tigerton, WI 54486



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