

Stanley-Boyd Area School District

Financial Statements and
Supplementary Information

Year Ended June 30, 2023



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Stanley-Boyd Area School District
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2023

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Independent Auditor's Report

Board of Education
Stanley-Boyd Area School District
Stanley, 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 Stanley-Boyd Area School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, in 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter

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 (GAAP), 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 Stanley-Boyd Area School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Stanley-Boyd Area School 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 Stanley-Boyd Area School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule - General Fund, schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, schedule of changes in the employer's net OPEB liability (asset) and related ratios - District OPEB plan, schedule of employer contributions - District OPEB plan, and schedule of investment returns - District OPEB plan on pages 47 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America requires 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stanley-Boyd Area School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin

December 14, 2023

Stanley-Boyd Area School District

Statement of Net Position

June 30, 2023

<i>Assets and Deferred Outflows of Resources</i>	Governmental Activities
Current assets:	
Cash and investments	\$ 11,871,042
Receivables:	
Taxes	737,478
Accounts	112,194
Due from other governments	468,063
Prepaid items	8,790
Total current assets	13,197,567
Noncurrent assets:	
Capital assets:	
Land	203,385
Construction in progress	416,167
Land improvements	7,531,084
Buildings and building improvements	12,703,979
Furniture and equipment	4,453,584
Less - accumulated depreciation	(13,565,161)
Subscription ROU Asset	52,246
Less - accumulated amortization	(19,504)
Total capital assets, net of accumulated depreciation and amortization	11,775,780
Total assets	24,973,347
Deferred outflows of resources:	
Related to OPEB - District OPEB plan	182,649
Related to pensions - WRS	7,615,181
Total deferred outflows of resources	7,797,830
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 32,771,177

Stanley-Boyd Area School District

Statement of Net Position (Continued)

June 30, 2023

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Governmental Activities
Liabilities:	
Current liabilities:	
Accounts payable	\$ 483,172
Accrued liabilities:	
Payroll, payroll taxes, insurance	947,178
Unearned revenue	13,009
Due to other governments	1,063
Current portion of long-term obligations	72,642
Total current liabilities	1,517,064
Noncurrent liabilities:	
Net OPEB liability - District OPEB plan	190,006
Net pension liability - WRS	2,095,942
Compensated absences	149,288
Total liabilities	3,952,300
Deferred inflows of resources:	
Related to OPEB - District OPEB plan	96,403
Related to pensions - WRS	4,388,751
Total deferred inflows of resources	4,485,154
Net position:	
Net investment in capital assets	11,761,475
Restricted for:	
Unspent common school fund	21,510
Capital projects	8,402,024
Community service	21,704
Self insurance	49,516
Food service	219,493
Donor approved uses	448,174
Unrestricted	3,409,827
Total net position	24,333,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 32,771,177

See accompanying notes to financial statements.

Stanley-Boyd Area School District

Statement of Activities

Year Ended June 30, 2023

<i>Functions/Programs</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating		Total Governmental Activities
			Grants and Contributions		
Governmental activities:					
Instruction:					
Regular instruction	\$ 6,697,831	\$ 922,001	\$ 1,918,979	\$ (3,856,851)	
Vocational instruction	589,104	-	27,812	(561,292)	
Special education instruction	1,709,727	36,148	1,773,145	99,566	
Other instruction	770,168	49,947	-	(720,221)	
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Total instruction	9,766,830	1,008,096	3,719,936	(5,038,798)	
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Support services:					
Pupil services	649,649	-	-	(649,649)	
Instructional staff services	880,099	-	111,902	(768,197)	
General administration services	416,136	-	-	(416,136)	
Building administration services	737,444	-	-	(737,444)	
Business services	196,667	-	-	(196,667)	
Operations and maintenance	2,435,493	-	3,643	(2,431,850)	
Pupil transportation services	694,927	-	58,136	(636,791)	
Food service	820,062	270,597	585,073	35,608	
Central services	37,899	-	3,477	(34,422)	
Insurance	124,155	-	-	(124,155)	
Community services	146,078	49,614	-	(96,464)	
Interest on debt	30	-	-	(30)	
Other support services	117,636	-	-	(117,636)	
Unallocated depreciation, excluding direct	198,840	-	-	(198,840)	
<hr/>					
Total support services	7,455,115	320,211	762,231	(6,372,673)	
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Total governmental activities (carried forward)	\$ 17,221,945	\$ 1,328,307	\$ 4,482,167	(11,411,471)	

Stanley-Boyd Area School District

Statement of Activities (Continued)

Year Ended June 30, 2023

<i>Functions/Programs</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Total governmental activities (brought forward)				\$ (11,411,471)
General revenues:				
Property taxes:				
General purposes				2,562,610
Community services				110,000
State and federal aids not restricted to specific functions:				
General				9,099,827
Other				15,330
Interest and investment earnings				126,112
Miscellaneous				488,219
Total general revenues				12,402,098
Change in net position				990,627
Net position - Beginning of year				23,343,096
Net position - End of year				\$ 24,333,723

See accompanying notes to financial statements.

Fund Financial Statements

Stanley-Boyd Area School District

Governmental Funds - Balance Sheet

June 30, 2023

<i>Assets</i>	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 4,668,568	\$ 6,490,595	\$ 711,879	\$ 11,871,042
Receivables:				
Taxes	737,478	-	-	737,478
Accounts	-	111,051	1,143	112,194
Due from other funds	130,810	1,946,000	-	2,076,810
Due from other governments	468,063	-	-	468,063
Prepaid items	8,790	-	-	8,790
TOTAL ASSETS	\$ 6,013,709	\$ 8,547,646	\$ 713,022	\$ 15,274,377
<i>Liabilities and Fund Balances</i>				
Liabilities:				
Accounts payable	\$ 468,360	\$ 14,812	\$ -	\$ 483,172
Accrued liabilities:				
Payroll, payroll taxes, insurance	936,536	-	10,642	947,178
Unearned revenue	-	-	13,009	13,009
Due to other governments	1,063	-	-	1,063
Due to other funds	1,946,000	130,810	-	2,076,810
Total liabilities	3,351,959	145,622	23,651	3,521,232
Fund balances:				
Nonspendable:				
Prepays	8,790	-	-	8,790
Restricted:				
Self insurance	49,516	-	-	49,516
Capital projects	-	8,402,024	-	8,402,024
Food service	-	-	219,493	219,493
Unspent common school fund	21,510	-	-	21,510
Community service	-	-	21,704	21,704
Donor approved uses	-	-	448,174	448,174
Unassigned	2,581,934	-	-	2,581,934
Total fund balances	2,661,750	8,402,024	689,371	11,753,145
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,013,709	\$ 8,547,646	\$ 713,022	\$ 15,274,377

Stanley-Boyd Area School District

Governmental Funds - Balance Sheet (Continued)

June 30, 2023

Total net position reported for governmental activities in the statement of net position is different from the amount reported on the previous page as total governmental fund balances because:

Total fund balances - Governmental funds (previous page)	\$	11,753,145
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Capital and subscription assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital and subscription assets	\$	25,360,445	
Governmental accumulated depreciation and amortization		(13,584,665)	11,775,780

The net pension liability, net OPEB liability, and the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position:

Net pension liability - WRS	(2,095,942)		
Net OPEB liability - District OPEB plan	(190,006)		
Deferred inflows of resources related to pensions - WRS	(4,388,751)		
Deferred inflows of resources related to OPEB - District OPEB plan	(96,403)		
Deferred outflows of resources related to OPEB - District OPEB plan	182,649		
Deferred outflows of resources related to pension - WRS	7,615,181		1,026,728

Long-term liabilities, are not due in the current year and therefore are not reported in the fund statements. Interest on long term liabilities is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances reported in the statement of net position that are not reported in the funds balance sheet are:

Subscription liability	(14,305)		
Compensated absences	(207,625)		(221,930)

Net position - Governmental activities	\$	24,333,723
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See accompanying notes to financial statements.

Stanley-Boyd Area School District

Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local	\$ 2,681,297	\$ 60,069	\$ 600,631	\$ 3,341,997
Interdistrict	996,806	-	-	996,806
Intermediate	185,456	-	-	185,456
State	11,000,375	-	15,569	11,015,944
Federal	1,787,761	-	569,504	2,357,265
Other	204,055	111,051	-	315,106
Total revenues	16,855,750	171,120	1,185,704	18,212,574
Expenditures:				
Instruction:				
Regular instruction	6,399,374	-	-	6,399,374
Vocational instruction	558,338	-	-	558,338
Special instruction	1,624,625	-	-	1,624,625
Other instruction	598,061	-	143,420	741,481
Total instruction	9,180,398	-	143,420	9,323,818
Support services:				
Pupil services	616,202	-	-	616,202
Instructional staff services	849,257	-	-	849,257
General administration services	391,755	-	-	391,755
Building administration services	696,371	-	-	696,371
Business services	181,734	-	-	181,734
Operations and maintenance	1,778,031	651,617	88,389	2,518,037
Pupil transportation	1,686,838	-	-	1,686,838
Food services	-	-	802,015	802,015
Central services	37,625	-	-	37,625
Insurance	124,155	-	-	124,155
Debt service:				
Principal	14,970	-	-	14,970
Interest	30	-	-	30
Other support services	117,636	-	-	117,636
Community service	-	-	142,538	142,538
Total support services	6,494,604	651,617	1,032,942	8,179,163
Total expenditures	15,675,002	651,617	1,176,362	17,502,981

Stanley-Boyd Area School District
Governmental Funds - Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)

Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Excess of revenues over (under) expenditures	\$ 1,180,748	\$ (480,497)	\$ 9,342	\$ 709,593
Other financing sources (uses):				
Transfers in	-	1,946,000	-	1,946,000
Transfers out	(1,946,000)	-	-	(1,946,000)
Proceeds from sale of capital assets	820,817	-	-	820,817
Net other financing sources (uses)	(1,125,183)	1,946,000	-	820,817
Net change in fund balances	55,565	1,465,503	9,342	1,530,410
Fund balances - Beginning of year	2,606,185	6,936,521	680,029	10,222,735
Fund balances - End of year	\$ 2,661,750	\$ 8,402,024	\$ 689,371	\$ 11,753,145

See accompanying notes to financial statements.

Stanley-Boyd Area School District

Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2023

Total net change in fund balances - Governmental funds \$ 1,530,410

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital and subscription assets are reported in the governmental funds as an expenditure. 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 and subscription outlays reported in governmental fund statements	\$ 1,669,131
Depreciation and amortization expense reported in statement of activities	(768,341)

Amount by which capital outlay is greater than depreciation and amortization in the current period	900,790
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Some employee benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB liability - District OPEB plan	(190,407)
Change in net pension asset - WRS	(3,188,838)
Change in net pension liability - WRS	(2,095,942)
Change in deferred outflows of resources related to pensions - WRS	1,585,826
Change in deferred outflows of resources related to OPEB - District OPEB plan	107,054
Change in deferred inflows of resources related to pensions - WRS	3,122,508
Change in deferred inflows of resources related to OPEB - District OPEB plan	12,050

Amounts earned are greater than amounts paid	(647,749)
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Unpaid compensated absences are a liability of the governmental funds only if the employee has resigned or retired.

Amount by which the liability for sick and vacation pay changed in the current year	(8,109)
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Repayment of principal on long-term obligations is reported in the governmental funds as an expenditure but is reported as a reduction in long-term obligations in the statement of net position and does not affect the statement of activities.

The amount of principal payments on long-term obligations in the current year	14,970
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Stanley-Boyd Area School District

Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities (Continued)

Year Ended June 30, 2023

The District disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of net position as a net loss. There is no effect on the governmental funds balance sheet.

The value of capital assets disposed of during the year	\$ (1,075,580)
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The amount of depreciation recaptured for the year	275,895
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The difference in the value of assets net of recaptured depreciation creates a loss	\$ (799,685)
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Change in net position - Governmental activities	\$ 990,627
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See accompanying notes to financial statements.

Stanley-Boyd Area School District

Fiduciary Funds - Statement of Net Position

June 30, 2023

	Employee Benefit Trust Fund
Assets:	
Cash and investments	\$ 1,116,001
TOTAL ASSETS	\$ 1,116,001
Net position:	
Restricted for other postemployment benefits	\$ 1,116,001
TOTAL NET POSITION	\$ 1,116,001

See accompanying notes to financial statements.

Stanley-Boyd Area School District
Fiduciary Funds - Statement of Changes in Net Position
Year Ended June 30, 2023

	Employee Benefit Trust Fund
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Additions:	
Interest on Investments	\$ 16,715
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Total additions	16,715
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Deductions:	
Postemployment benefits paid	276,755
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Total deductions	276,755
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Change in net position	(260,040)
Net position - Beginning of year	1,376,041
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Net position - End of year	\$ 1,116,001
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See accompanying notes to financial statements.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the Stanley-Boyd Area School District (the "District") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

Reporting Entity

The Stanley-Boyd Area 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 10 taxing districts.

This report includes all of the funds of the Stanley-Boyd Area School District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

New Accounting Pronouncement

Management has adopted new accounting guidance, GASB Statement No. 96, Subscription Based Information Technology Arrangements, which requires the recognition of certain subscription assets and liabilities. The District implemented this guidance as of July 1, 2022. The implementation of this guidance did not affect beginning net position for the year ended June 30, 2023.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level.

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

- General Fund – This is the District’s primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities.
- Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District reports the following nonmajor governmental funds:

- Donations Fund - This fund is used to account for gifts and donations that have been restricted by private parties for specific purposes.
- Food Service Fund - This fund is used to account for financial resources that are restricted to expenditure in the District's breakfast and lunch program.
- Community Service Fund - This fund is used to account for programs provided to the community as a whole.

The District accounts for resources legally held in trust for the District's other postemployment benefits in an employee benefit trust fund.

Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund 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.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Investments

The District's cash and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less, shares in the local government investment pool, amounts invested in AUL annuity contracts, and amounts invested with the Wisconsin Investment series Cooperative.

The Capital Projects Funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust Fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper, and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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.

Funds held in the Employee Benefit Trust Fund to provide for other postemployment benefits may be invested in any kind of property or type of investment consistent with the prudent investor rule set forth in WI Stat. 881.01. This rule requires the trustee of an Employee Benefit Trust Fund to exercise reasonable care, skill, and caution when investing and managing the assets of the trust.

All investments are stated at fair market value except, for the investment in the local government investment pool and the AUL annuity contracts, which are reported on a cost-based measure.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Receivables and Payables

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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). All other outstanding balances between funds are reported as "due to/from other funds."

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 50 years for land improvements and buildings and from 5 to 15 years for furniture and equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources and District contributions subsequent to the measurement date of the collective net pension liability (asset) for the WRS plan, as well as deferred outflows related to its own District OPEB plan.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to the WRS pension plan.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Compensated Absences - The District's policy allows employees to earn varying amounts of sick pay each year employed; any unused days are allowed to accumulate. Upon retirement, the employee is entitled to a payout of \$20 for each unused day.

The District's policy allows non-teacher employees to earn varying amounts of vacation each year employed. Upon retirement or termination of employment, the employee is entitled to a prorated vacation based on the last year of service. Unused vacation can be carried over if approved by the employee's supervisor.

The vacation pay liability is calculated based on the pay or salary rates in effect at year-end. Under contractual retirement options, the District is liable for salary, social security, health and life insurance payments.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District OPEB plan and additions to/deductions from District fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments in AUL annuity contracts are reported on a cost-based measure.

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

Net Position

For government-wide reporting, net position is reported in three categories.

Net investment in capital assets: This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category. Unspent portions of capital-related debt proceeds are not included in this category.

Restricted: This category consists of noncapital assets whose use is restricted, reduced by liabilities and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This category consists of the remaining net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education - the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1 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 and are available to pay current liabilities.

Subscription Based Information Technology Arrangements

The District is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the District the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 2: Stewardship and Accountability

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 is 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 referendum prior to August 12, 1993
- A referendum on or after August 12, 1993

Note 3: Cash and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$2,319,144 of the District's bank balance of \$7,869,799 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool (LGIP). The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. More than 5% of the District's investments are in annuity contracts with American United Life Insurance Company. These investments are 21% of the District's total investments. The investments with American United Life Insurance Company also represent 100.0% of the total investments reported in the Employee Benefit Trust Fund.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

The District's cash and investment balances at June 30, 2023, were as follows:

	Maturities	Fair Value
Local Government Investment Pool Fund	23-day average	\$ 4,100,740
Mid America - Emp. Benefit Trust - AUL Annuity Contract		1,116,001
<hr/>		
Total investments		5,216,741
Cash deposits with financial institutions carrying amount		7,770,302
Less - Cash and investments held by fiduciary funds		(1,116,001)
<hr/>		
Cash and investments reported on statement of net position		\$ 11,871,042

The District is a participant in the LGIP, which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission (SEC) as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2023, are as follows:

<i>Due From:</i>	Due To: Capital Projects Fund
General Fund	\$ 1,946,000
Capital Projects Fund	130,810

The payable from the General Fund to the Capital Projects Fund is to make a funding contribution for the long-term projects of the District. The payable from the Capital Projects Fund to the General Fund is to reimburse expenditures paid from operating cash prior to removing amounts from investments.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

Interfund transfers at June 30, 2023, were as follows:

<i>Transfer From:</i>	Transfer To: Capital Projects Fund
General Fund	\$ 1,946,000

The purpose for the interfund transfer to the Capital Projects Fund is to fund the District's long-term capital improvement plan.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 5: Capital Assets

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

Governmental Activities	RESTATED Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 203,385	\$ -	\$ -	\$ -	203,385
Construction in progress	95,928	-	416,167	(95,928)	416,167
Total capital assets not being depreciated	299,313	-	416,167	(95,928)	619,552
Capital assets being depreciated:					
Land improvements	7,544,824	7,382	-	(21,122)	7,531,084
Buildings and building improvements	12,709,827	-	-	(5,848)	12,703,979
Furniture and equipment	4,183,655	(7,382)	1,325,921	(1,048,610)	4,453,584
Total capital assets being depreciated	24,438,306	-	1,325,921	(1,075,580)	24,688,647
Less accumulated depreciation for:					
Land improvements	(1,298,808)	(1,051)	(194,076)	21,122	(1,472,813)
Buildings and building improvements	(9,504,486)	-	(260,610)	4,606	(9,760,490)
Furniture and equipment	(2,288,925)	1,051	(294,151)	250,167	(2,331,858)
Total accumulated depreciation	(13,092,219)	-	(748,837)	275,895	(13,565,161)
Total capital assets, being depreciated - Net of accumulated depreciation	11,346,087	-	577,084	(799,685)	11,123,486
Subscription assets, being amortized:					
Subscription ROU asset	29,275	-	22,971	-	52,246
Accumulated amortization:					
Subscription ROU asset	-	-	(19,504)	-	(19,504)
Total subscription assets, being amortized, net	29,275	-	3,467	-	32,742
Governmental activities capital assets - Net	\$ 11,674,675	\$ -	\$ 996,718	\$ (895,613)	\$ 11,775,780

Stanley-Boyd Area School District

Notes to Financial Statements

Note 5: Capital Assets (Continued)

Depreciation and amortization expense was charged to governmental activities as follows:

Regular instruction	\$ 20,123
Vocational instruction	1,851
Building administration services	1,043
Business services	4,319
Operations and maintenance of plant	380,208
Pupil transportation services	145,009
Central services	16,948
Depreciation not charged to a specific function	198,840
<hr/>	
Total depreciation and amortization for governmental activities	\$ 768,341

Note 6: Long-Term Obligations

Long-term obligations of the District are as follows:

	RESTATED Balance 07/01/22	Additions	Reductions	Balance 06/30/23	Amounts Due Within One Year
Subscription liabilities	\$ 29,275	\$ -	\$ 14,970	\$ 14,305	\$ 14,305
Compensated absences	199,516	33,547	25,438	207,625	58,337
<hr/>					
Totals	\$ 228,791	\$ 33,547	\$ 40,408	\$ 221,930	\$ 72,642

The compensated absences will be liquidated by several of the governmental funds. Payments on the subscription liabilities were made by the General Fund.

The District has entered into a noncancelable SBITA with one third party. The agreement matures June 30, 2024. The related subscription liability has been discounted at a rate of 4.75%.

Long-term principal and interest on the subscription liability as of June 30, 2023:

Governmental Subscription Liability Year Ended June 30:	Principal	Interest	Totals
2024	\$ 14,305	\$ 695	\$ 15,000

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System

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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

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

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected officials. Starting on January 1, 2016, the Executive 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 \$488,408 in contributions from the employer.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contributions (Continued)

Contribution rates as of June 30, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2023, the District reported a liability of \$2,095,942 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the Net Pension Liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.03956323%, which was an increase of 0.00000038% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,064,854.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,338,187	\$ 4,385,628
Net differences between projected and actual earnings on pension plan investments	3,560,523	-
Change in assumptions	412,149	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,690	3,123
Employer contributions subsequent to the measurement date	298,632	-
Total	\$ 7,615,181	\$ 4,388,751

\$298,632 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ 121,436
2025	606,032
2026	622,558
2027	1,577,772

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2022
Experience study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS experience mortality table
Postretirement adjustments*	1.7%

**No postretirement 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 on an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022, is based on a roll-forward of the liability calculated from the December 31, 2021, actuarial valuation.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns
As of December 31, 2022

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	48.0%	7.6%	5.0%
Public Fixed income	25.0%	5.3%	2.7%
Inflation Sensitive	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
Total core fund	115.0%	7.4%	4.8%
Variable fund:			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
Total variable fund	100.0%	7.7%	5.1%

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%

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 15% policy leverage is used, subject to an allowable range of up to 20%.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 taxexempt 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)	\$ 6,956,365	\$ 2,095,942	\$ (1,247,611)

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

At June 30, 2023, the District reported a payable of \$178,861 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 8: Other Postemployment Benefits

Defined Benefit Plan

The District administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees as established by District policy. The School District Board manages the OPEB plan and has appointed MidAmerica Administrative and Retirement Solutions, Inc. as investment manager. There are 135 active plan members, 8 inactive plan members currently receiving benefits, and no inactive plan members entitled to but not yet receiving benefits.

The School Board has the authority to establish and amend the types of benefits provided through the OPEB plan. The plan provides funds for medical benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive funds for medical benefits for up to 10 years or until they are eligible for Medicare. The School Board determines the amount contributed to the trust. The plan does not issue a standalone report.

Currently the plan is invested in AUL annuity contracts. For June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 1.35%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 1,306,007
Plan fiduciary net position	<u>(1,116,001)</u>
Net OPEB liability	<u>\$ 190,006</u>
Plan fiduciary net position as a percentage of the total OPEB liability	85.45 %

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2023. The actuarial assumptions included an inflation rate of 2.50% and projected salary increases of 3.00%, average, including inflation. The investment rate of return was 2.25%, net of OPEB plan investment expense, including inflation. The health care trend at a rate of 6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter. Actuarial assumptions are based upon an experience study conducted in 2018 using WRS experience from 2015-2017.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

The long-term expected rate of return on OPEB 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, (see discussion of the plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
AUL annuity contracts	2.25 %

The discount rate used to measure the total OPEB liability was 2.25%, and is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the single discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Stanley-Boyd Area School District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

Changes in the net OPEB (asset) liability for the year ended June 30, 2023, were as follows:

<i>Changes in Net OPEB (Asset) Liability</i>	Increase (Decrease)		Net OPEB Liability (asset) (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances at June 30, 2022	\$ 1,375,640	\$ 1,376,041	\$ (401)
Changes for the year:			
Service cost	58,038	-	58,038
Interest	28,491	-	28,491
Differences between expected and actual experience	120,593	-	120,593
Net investment income	-	16,715	(16,715)
Benefit payments	(276,755)	(276,755)	-
Net changes	(69,633)	(260,040)	190,407
Balances at June 30, 2023	\$ 1,306,007	\$ 1,116,001	\$ 190,006

The following presents the net OPEB liability of the District, calculated using the discount rate of 2.25%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's net OPEB liability	\$ 219,195	\$ 190,006	\$ 159,830

Stanley-Boyd Area School District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Defined Benefit Plan (Continued)

The following represents the District's net OPEB liability calculated using the health care cost trend rate of 6.5% decreasing to 5.0%, as well as what the District's net OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase to (7.5% decreasing to 6.0%)
District's net OPEB liability	\$ 120,497	\$ 190,006	\$ 264,492

For the year ended June 30, 2023, the District recognized OPEB expense of \$71,303.

At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,534	\$ 96,403
Changes of assumptions or other input	56,728	
Net difference between projected and actual earnings on OPEB plan investments	17,387	
Total	\$ 182,649	\$ 96,403

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

Year Ended June 30:	Deferred Outflows of Resources
2024	\$ 12,621
2025	12,621
2026	11,217
2027	9,328
2028	7,100
Thereafter	33,359

Stanley-Boyd Area School District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Defined Contribution Plan

The District also sponsors a defined contribution retirement plan under Code Section 403(b) that allows all employees to make pretax voluntary contributions. The District will match up to \$1,950 of an eligible employee's contributions. After the tenth year of employment, the employee becomes fully vested in the matching contributions. Under these provisions, the District contributed \$150,100 during the current year. The plan is administered by National Insurance Services.

Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation. The District insures through commercial insurance companies for all risks of loss, except for dental care. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal year 2023.

The District has retained the risk of loss for its dental program. The plan is accounted for in the General Fund of the District as required by the Department of Public Instruction. A third-party administrator is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District has no stop-loss coverage for dental care coverage of the plan.

At June 30, 2023, the District has recorded a \$17,898 liability, which represents reported and unreported claims which were incurred on or before June 30, 2023, but were not paid by the District as of that date. This amount consists of outstanding claims, which were reported and unreported to the Plan Administrator. The amounts of reported and unreported claims for the District were estimated by the District.

	2022	2021
Unpaid claims at the beginning of the year	\$ 16,474	\$ 15,967
Current year claims	107,047	114,766
Claims payments	(105,623)	(114,259)
Unpaid claims at year end	\$ 17,898	\$ 16,474

Stanley-Boyd Area School District

Notes to Financial Statements

Note 10: Jointly Governed Organization

The District is served by Cooperative Education Service Agency No. 10 (CESA). CESA is a regional service entity organized to serve the educational needs of 29 school districts in all or parts of Barron, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Jackson, Marathon, Price, Rusk, Sawyer, Taylor, and Trempealeau Counties. CESA is governed by an 11-member board of control elected from a delegate assembly, which consists of one school board member from each of the school districts in the CESA region, with special provisions made for areas served by union high/K-8 districts. Participating school districts have neither an ongoing financial interest nor responsibility. The District purchased \$291,962 of education services during the fiscal year. At June 30, 2023, due from other governments included \$0 no amounts to be received from CESA.

Required Supplementary Information

Stanley-Boyd Area School District

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2023

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual on</u>	<u>Variance With</u>
	<u>Original</u>	<u>Budgetary</u>	<u>Final Budget</u>
	<u>and Final</u>	<u>Basis</u>	<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Local	\$ 2,629,070	\$ 2,681,297	\$ 52,227
Interdistrict	822,334	960,658	138,324
Intermediate	12,848	69,054	56,206
State	9,667,816	10,491,180	823,364
Federal	500,869	1,421,508	920,639
Other	41,623	204,055	162,432
Total revenues	13,674,560	15,827,752	2,153,192
Expenditures:			
Instruction:			
Undifferentiated curriculum	3,112,181	2,891,583	220,598
Regular curriculum	2,692,605	2,387,333	305,272
Vocational instruction	557,061	558,338	(1,277)
Physical curriculum	308,324	297,391	10,933
Co-curricular activities	336,882	300,670	36,212
Total instruction	7,007,053	6,435,315	571,738
Support services:			
Pupil services	371,419	338,240	33,179
Instructional staff services	556,247	806,230	(249,983)
General administration services	414,654	391,755	22,899
Building administration services	729,242	696,371	32,871
Business administration	3,485,582	3,621,179	(135,597)
Central services	55,502	37,625	17,877
Insurance	132,751	124,155	8,596
Debt service	67,110	15,000	52,110
Other support services	129,005	117,636	11,369
Total support services	5,941,512	6,148,191	(206,679)
Non-program transactions:			
Purchased instructional services	1,136,700	1,120,456	16,244
Total expenditures	14,085,265	13,703,962	381,303

Stanley-Boyd Area School District
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual on</u>	<u>Variance With</u>
	<u>Original</u>	<u>Budgetary</u>	<u>Final Budget</u>
	<u>and Final</u>	<u>Basis</u>	<u>Positive</u>
			<u>(Negative)</u>
Excess of revenues over expenditures	\$ (410,705)	\$ 2,123,790	\$ 2,534,495
Other financing sources (uses):			
Transfers out	(1,397,894)	(2,889,042)	(1,491,148)
Proceeds from sale of capital assets	790,000	820,817	30,817
Net other financing sources (uses)	(607,894)	(2,068,225)	(1,460,331)
Net change in fund balance	(1,018,599)	55,565	1,074,164
Fund balance - Beginning of year	2,606,185	2,606,185	-
Fund balance - End of year	\$ 1,587,586	\$ 2,661,750	\$ 1,074,164

See Independent Auditor's Report.

See accompanying notes to the Budgetary Comparison Schedule - General Fund.

Stanley-Boyd Area School District

Notes to the Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2023

Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI).

The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction 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 financial statements:

- Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- 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.

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 an assigned fund balance.

Stanley-Boyd Area School District
Notes to the Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023

Note 2: Budgetary Comparisons

GAAP requires a budgetary comparison for the General Fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The "actual on a budgetary basis" excludes the revenues, expenditures, and other financing sources (uses) of the special education fund, which is treated as a special revenue fund for budgetary purposes. The following schedule reconciles the "budgetary basis" revenues and expenditures of the *budgetary comparison schedule - general fund* to the *governmental funds - statement of revenues, expenditures, and changes in fund balances*:

	General Fund Actual on Budgetary Basis	Special Education Fund	General Fund Actual on GAAP Basis
Revenues	\$ 15,827,752	\$ 1,027,998	\$ 16,855,750
Expenditures	(13,703,962)	(1,971,040)	(15,675,002)
Other financing sources (uses)	(2,068,225)	943,042	(1,125,183)
Net change in fund balance	\$ 55,565	\$ -	\$ 55,565

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over Budget
Vocational instruction	\$ 557,061	\$ 558,338	\$ 1,277
Instructional staff services	556,247	806,230	249,983
Business administration	3,485,582	3,621,179	135,597

Stanley-Boyd Area School District

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.03956323 %	\$ 2,095,942	\$ 7,204,558	29.09 %	95.72 %
2021	0.03956285	(3,188,838)	6,926,015	(46.04)	106.02
2020	0.03938639	(2,458,946)	6,474,307	(37.98)	105.26
2019	0.03964137	(1,278,218)	6,366,817	(20.08)	102.96
2018	0.03982466	1,416,836	6,098,309	23.23	96.45
2017	0.03950740	(1,173,021)	5,863,614	(20.01)	102.93
2016	0.03930173	323,940	5,829,129	5.56	99.12
2015	0.03870504	628,949	5,497,314	11.44	98.20
2014	0.03817727	(937,738)	5,441,184	(17.23)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2023	\$ 488,408	\$ 488,408	\$ -	\$ 7,311,434	6.68 %
2022	466,443	466,443	-	7,067,789	6.60
2021	449,763	449,763	-	6,719,715	6.69
2020	430,088	430,088	-	6,447,207	6.67
2019	408,586	408,586	-	6,098,309	6.70
2018	398,734	398,734	-	5,863,614	6.80
2017	385,013	385,013	-	5,829,129	6.60
2016	373,816	373,816	-	5,497,314	6.80
2015	380,883	380,883	-	5,441,184	7.00

Stanley-Boyd Area School District

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Notes to Required Supplementary Information

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets):

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.

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

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

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Stanley-Boyd Area School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%

Stanley-Boyd Area School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2022	2021	2020	2019	2018
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Stanley-Boyd Area School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

Stanley-Boyd Area School District
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)
and Employer Contributions - Wisconsin Retirement System (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2017	2016	2015	2014	2013
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

Stanley-Boyd Area School District
Schedule of Changes in the Employer's Net OPEB
Liability (Asset) and Related Ratios - District OPEB Plan
Last 10 Fiscal Years*

	2023	2022	2021	2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Total OPEB liability:				
Service cost	\$ 58,038	\$ 58,819	\$ 57,525	\$ 56,259
Interest	28,491	32,032	33,261	34,246
Differences between expected and actual experience	120,593	(120,503)	-	-
Changes of assumptions or other input	-	70,910	-	-
Benefit payments	(276,755)	(119,671)	(172,504)	(97,285)
Net change in total OPEB liability	(69,633)	(78,413)	(81,718)	(6,780)
Total OPEB liability - Beginning	1,375,640	1,454,053	1,535,771	1,542,551
Total OPEB liability - Ending	\$ 1,306,007	\$ 1,375,640	\$ 1,454,053	\$ 1,535,771
Plan fiduciary net position:				
Contributions - Employer	\$ -	\$ -	\$ 44,847	\$ -
Net investment income	16,715	22,353	27,062	28,785
Adjustments	-	-	(4,857)	-
Benefit payments	(276,755)	(119,671)	(172,504)	(97,285)
Net change in plan fiduciary net position	(260,040)	(97,318)	(105,452)	(68,500)
Plan fiduciary net position - Beginning	1,376,041	1,473,359	1,578,811	1,647,311
Plan fiduciary net position - Ending	\$ 1,116,001	\$ 1,376,041	\$ 1,473,359	\$ 1,578,811
District's net OPEB asset - Ending	\$ 1,116,001	\$ (401)	\$ (19,306)	\$ (43,040)
Plan fiduciary net position as a percentage of the total OPEB liability	85.45 %	100.03 %	101.33 %	102.80 %
Covered-employee payroll	\$ 6,367,769	\$ 6,367,769	\$ 4,447,882	\$ 4,447,882
District's net OPEB asset as a percentage of covered-employee payroll	2.98 %	(0.01)%	(0.43)%	(0.97)%

*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Stanley-Boyd Area School District
Schedule of Employer Contributions - District OPEB Plan
 Last 10 Fiscal Years*

	2023	2022	2021	2020
Actuarially determined contribution	\$ 55,516	\$ 55,516	\$ 52,685	\$ 52,685
Contributions in relation to the actuarially determined contribution	-	-	44,847	-
Contribution deficiency (excess)	\$ 55,516	\$ 55,516	\$ 7,838	\$ 52,685
Covered-employee payroll	\$6,367,769	\$ 6,367,769	\$ 4,447,882	\$ 4,447,882
Contributions as a percentage of covered-employee payroll	0.00 %	0.00 %	1.01 %	0.00 %

*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Schedule of Investment Returns - District OPEB Plan
 Last 10 Fiscal Years*

	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	1.35 %	1.58 %	1.79 %	1.80 %

*This schedule is intended to present information for the last 10 years. The information prior to fiscal year 2020 is not available and therefore is not presented. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Stanley-Boyd Area School District

Notes to Required Supplementary Information - District OPEB Plan

Year Ended June 30, 2023

Note 1: Valuation date

The actuarially determined contribution rate was calculated as of June 30, 2021.

Note 2: Methods and Assumptions Used to Determine Contribution Rates

	June 30, 2021	June 30, 2019
Valuation date:	June 30, 2021	June 30, 2019
Actuarial cost method:	Entry age normal, level percent of salary	Entry age normal, level percent of salary
Amortization method:	Level dollar	Level dollar
Remaining amortization period:	30 years	30 years
Asset valuation method:	Market value	Market value
Inflation:	2.50%	2.00%
Health care trend rates:	6.50% initial, decreasing by 0.10% per year down to 5.00%, and level thereafter	7.50% initial, decreasing by 0.5% per year down to 6.50%, then by 0.1% per year down to 5.0%, and level thereafter
Salary increases:	3.0%, average, including inflation	3.0%, average, including inflation
Investment rate of return:	2.25%	2.25%
Trend and retirement:	Wisconsin Retirement System (WRS) experience study from 2015-2017	Wisconsin Retirement System (WRS) experience study from 2015-2017

Supplementary Financial Information

Stanley-Boyd Area School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2022	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2023	Amount Provided to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
Child Nutrition Cluster:							
School Breakfast Program	10.553	2023-095593-DPI-SB-SEVERE-546					
July 1, 2022-June 30, 2023			\$ -	\$ 144,039	\$ 144,039	\$ -	-
National School Lunch Program (Cash Assistance)	10.555	2023-095593-DPI-NSL-547					
July 1, 2022-June 30, 2023			-	336,983	336,983	-	-
National School Lunch Program (Non-Cash Assistance)	10.555	2023-095593-DPI-NSL-547					
July 1, 2022-June 30, 2023			-	65,812	65,812	-	-
Summer Food Service Program	10.559	2023-095593-DPI-SFSP-586					
July 1, 2022-June 30, 2023			-	22,670	22,670	-	-
TOTAL CHILD NUTRITION CLUSTER			-	569,504	569,504	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	569,504	569,504	-	-
U.S. FEDERAL COMMUNICATIONS COMMISSION							
Direct:							
Emergency Connectivity Fund Program	32.009	N/A					
July 1, 2022-June 30, 2023			-	84,447	84,447	-	-
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
Special Education Cluster (IDEA)							
Special Education Grants to State	84.027	2023-095593-DPI-FLOW-341					
July 1, 2022-June 30, 2023			86,431	239,872	355,935	202,494	-
Special Education Preschool Grants	84.173	2023-095593-DPI-PRESCH-347					
July 1, 2022-June 30, 2023			4,233	14,241	10,318	310	-
Total Special Education Cluster (IDEA)			90,664	254,113	366,253	202,804	-

Stanley-Boyd Area School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2022	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2023	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION (Continued)							
Wisconsin Department of Public Instruction							
Title I Grants to Local Educational Agencies July 1, 2022-June 30, 2023	84.010	2023-095593-DPI-TI-A-141	\$ 120,940	\$ 281,511	\$ 248,003	\$ 87,432	-
Improving Teacher Quality State Grants July 1, 2022-June 30, 2023	84.367	2023-095593-DPI-TIIA-365	-	37,543	37,543	-	-
Student Support and Academic Enrichment Grants July 1, 2022-June 30, 2023	84.424	2023-095593-DPI-TIVA-381	16,121	27,590	16,869	5,400	-
Elementary and Secondary School Emergency Relief Fund July 1, 2022-June 30, 2023	84.425D	2023-095593-DPI-ESSERF-163	507,201	1,278,162	912,616	141,655	-
CESA #10							
Career and Technical Education - Basic Grants to States July 1, 2022-June 30, 2023	84.048	2023-095593-DPI-CTE-400	-	10,140	10,140	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION			734,926	1,889,059	1,591,424	437,291	-

Stanley-Boyd Area School District
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2022	Cash Received	Federal Expenditures	Accrued (Deferred) Revenue 6/30/2022	Amount Provided to Subrecipients
U.S DEPARTMENT OF TREASURY: WISCONSIN DEPARTMENT OF ADMINISTRATION Coronavirus State and Local Fiscal Recovery Funds							
July 1, 2022-June 30, 2023	21.027	N/A	\$ 8,420	\$ 8,420	\$ -	\$ -	-
TOTAL U.S DEPARTMENT OF TREASURY			8,420	8,420	-	-	-
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES: Wisconsin Department of Health Services CESA#10 Medicaid Cluster							
Medical Assistance Program July 1, 2022-June 30, 2023	93.778	N/A	80,510	224,418	143,908	-	-
TOTAL MEDICAID CLUSTER			80,510	224,418	143,908	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			80,510	224,418	143,908	-	-
TOTAL FEDERAL AWARDS			\$ 823,856	\$ 2,775,848	\$ 2,389,283	\$ 437,291	\$ -

See Independent Auditor's Report.
See accompanying notes to the Schedules of Expenditures of Federal Awards and State Assistance.

Stanley-Boyd Area School District

Schedule of State Financial Assistance

Year Ended June 30, 2023

State Grantor/Pass-Through Grantor/Program or Cluster Title	State Identification Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2022	Cash Received	State Expenditures	Accrued (Deferred) Revenue 6/30/2023	Amount provided to Subrecipients
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Special Education and School Age Parents	255.101						
District Programs		095593-100	\$ -	\$ 489,101	\$ 489,101	\$ -	-
Participant in Package Program CESA #10		N/A	-	24,740	24,740	-	-
Total Special Education and School Age Parents			-	513,841	513,841	-	-
State School Lunch Aid	255.102	095593-107	-	5,783	5,783	-	-
Common School Fund Library Aid	255.103	095593-104	-	78,227	78,227	-	-
Gen Trans Aid for Public and NP Sch Pupils	255.107	095593-102	-	58,136	58,136	-	-
WI School Day Milk	255.115	095593-109	-	3,879	3,879	-	-
Equalization Aid	255.201	095593-116	-	8,301,435	8,301,435	-	-
High Cost Special Education	255.210	095593-119	-	11,452	11,452	-	-
Special Education Transition Readiness Grant	255.257	095593-174	25,918	25,918	2,911	2,911	-
School Based Mental Health Services Grant	255.297	095593-177	11,347	26,732	21,883	6,498	-
State School Breakfast Aid	255.344	095593-108	-	5,907	5,907	-	-
Student Achievement Guarantee in Education	255.504	095593-160	-	395,349	395,349	-	-
Aid for High Poverty School District	255.926	095593-121	-	57,715	57,715	-	-
Educator Effective Eval Sys Grants Public	255.940	095593-154	-	8,400	8,400	-	-
Per Pupil Aid	255.945	095593-113	-	798,392	798,392	-	-
High Cost Transportation Aid	255.947	095593-114	-	729,049	729,049	-	-
Career and Technical Education Incentive Grants	255.950	095593-152	-	16,753	16,753	-	-
Assessments of Reading Readiness	255.956	095593-166	-	3,392	3,392	-	-
Aid for Special Education Transition Grant BBL	255.960	095593-168	-	5,732	5,732	-	-
Total Wisconsin Department of Public Instruction			37,265	11,046,092	11,018,236	9,409	-

Stanley-Boyd Area School District

Schedule of State Financial Assistance (Continued)

Year Ended June 30, 2023

State Grantor/Pass-Through Grantor/Program or Cluster Title	State Identification Number	Pass-Through Entity Identifying Number	Accrued (Deferred) Revenue 7/1/2022	Cash Received	State Expenditures	Accrued (Deferred) Revenue 6/30/2023	Amount provided to Subrecipients
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
CESA #10							
Chippewa Valley Youth Apprenticeship	20.445(7)(b)	N/A	\$ -	\$ 5,750	\$ 5,750	\$ -	-
Fast Forward Grant	445.109	N/A	-	-	919	919	-
Total Wisconsin Department of Workforce Development			-	5,750	6,669	919	-
WISCONSIN DEPARTMENT OF JUSTICE							
School Safety Grant	455.206	N/A	-	-	3,642	3,642	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 37,265	\$ 11,051,842	\$ 11,028,547	\$ 13,970	-

See Independent Auditor's Report.

See accompanying notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Stanley-Boyd Area School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the District under programs of the federal and state government for the year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. 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. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: Summary of Significant Accounting Policies

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Special Education and School Age Parents Program

2022-2023 eligible costs under the State Special Education Program were \$1,493,621.

Other Reports

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

Board of Education
Stanley-Boyd Area School District
Stanley, WI

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Stanley-Boyd Area School District, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Stanley-Boyd Area School District's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Stanley-Boyd Area School 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 Stanley-Boyd Area School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stanley-Boyd Area School District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

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 reasonable possibility that a material misstatement of the Stanley-Boyd Area School District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2023-002 that we consider to be a material weakness.

A *significant deficiency* is a deficiency, or 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stanley-Boyd Area School 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*.

Stanley-Boyd Area School District's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Stanley-Boyd Area School 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 Stanley-Boyd Area School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Wipfli LLP

Eau Claire, Wisconsin

December 14, 2023

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines

Board of Education
Stanley-Boyd Area School District
Stanley, WI

Report on Compliance for Each Major Federal and State Program

We have audited Stanley-Boyd Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2023. Stanley-Boyd Area School District's major federal or state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's 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 Stanley-Boyd Area School 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 GAAS, *Government Auditing Standards*, the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration and the Uniform Guidance 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 Stanley-Boyd Area School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, *State Single Audit Guidelines* and the Uniform Guidance, 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 Stanley-Boyd Area School 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 Stanley-Boyd Area School 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 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Stanley-Boyd Area School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 may exist that were not identified.

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

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

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin

December 14, 2023

Stanley-Boyd Area School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported

Type of auditor's report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal program(s)

AL Number	Name of Federal Program or Cluster
10.553, 10.555 and 10.559 84.425	Child Nutrition Cluster Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

Stanley-Boyd Area School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

I. Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditor's report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with *State of Wisconsin Single Audit Guidelines*?

_____ Yes X No

Identification of major state program(s):

State I.D. Number

Name of State Program

255.201

General Aids Cluster:

255.926

General Equalization Aid

255.107

Aid for High Poverty School District

Pupil Transportation

Federal programs tested as state major:

93.778

Medicaid Cluster

Stanley-Boyd Area School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

II. Financial Statement Findings

2023-001: Segregation of Duties

Criteria - No one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition - Incompatible functions are currently being performed by the same individual.

Cause - Limited staff available and inadequate compensating controls.

Effect - Decreased likelihood that unauthorized, false, or incorrectly coded transactions will be prevented, or detected and corrected, in a timely fashion, which may result in misstated financial statements.

Recommendation - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response - The District does not have the resources available to increase staff size and address this internal control deficiency. The Board and management are aware of the incompatible duties and will continue to provide oversight and monitor the District's operations. In addition, the Board reviews monthly cash disbursements for oversight.

Stanley-Boyd Area School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

II. Financial Statement Findings (Continued)

2023-002: Financial Accounting and Reporting

Criteria - The District is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition - As part of our professional services for the year ended June 30, 2023, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause - The District does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect - As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the District as its own management.

Recommendation - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response - The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor's services and review and approve the financial statements and notes.

III. Federal Findings and Questioned Costs

None.

Stanley-Boyd Area School District
Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

III. State Findings and Questioned Costs

None.

Stanley-Boyd Area School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

IV. Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Public Instruction No

Department of Justice No


Department of Workforce Development No

Department of Health Services No

Department of Administration No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

Name of Partner



Robert Ganschow, CPA, CFE

Date

December 14, 2023

Stanley-Boyd Area School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

Financial Statement Findings

2022-001: Segregation of Duties - See finding 2023-001.

2022-002: Financial Accounting and Reporting - See finding 2023-002.

State Financial Assistance Findings and Questioned Costs

2022-003: Reporting - This finding was addressed and resolved in the current year.

December 13, 2023

School District of Stanley-Boyd
507 E. First Avenue
Stanley, WI 54758

The School District of Stanley-Boyd submits the following corrective action plans for the identified findings and questioned costs for the year ended June 30, 2023.

Finding 2023-001: Segregation of Duties

Corrective Action Plan – The District does not have the resources available to increase staff size and eliminate the internal control deficiency. The Board and management are aware of the incompatible duties and will continue to provide oversight and monitor the District’s operations. In addition, the Board reviews monthly cash disbursements for oversight.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

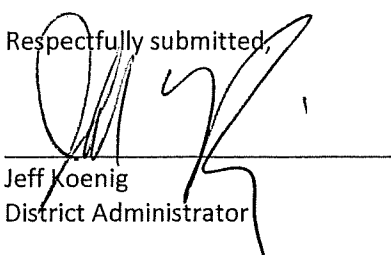
Finding 2023-002: Financial Accounting and Reporting

Corrective Action Plan – We have engaged the audit organization to prepare financial statements and note disclosures. We will continue to review, approve and accept responsibility for the audit reporting package.

Anticipated Completion Date – Ongoing

Responsible Contact Person – Jeff Koenig

Respectfully submitted,



Jeff Koenig
District Administrator