



**JOHNSON BLOCK**  
**CPAs**

**SCHOOL DISTRICT OF LA FARGE  
LA FARGE, WISCONSIN**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**Year Ended June 30, 2023**

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**SCHOOL DISTRICT OF LA FARGE**

**TABLE OF CONTENTS**  
June 30, 2023

	<u>Page</u>
Independent Auditor’s Report.....	1 - 3
Basic Financial Statements:	
District-Wide Statement of Net Position .....	4
District-Wide Statement of Activities.....	5
Balance Sheet – Governmental Funds .....	6
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	8
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	9
Index to Notes to Financial Statements.....	10
Notes to Financial Statements.....	11 - 36
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Education Fund .....	38
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures .....	39
Total OPEB Liability Schedule .....	40
Supplemental Pension Plan Schedules.....	41
Wisconsin Retirement System Schedules .....	42
Notes to Required Supplementary Information .....	43 - 46

**SCHOOL DISTRICT OF LA FARGE**

**TABLE OF CONTENTS  
(CONTINUED)  
June 30, 2023**

	<u>Page</u>
Other Supplementary Information:	
Combining Balance Sheet – General Fund.....	47
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund .....	48
Combining Balance Sheet – Nonmajor Governmental Funds .....	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	50



## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
School District of La Farge  
La Farge, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District of La Farge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District of La Farge'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 information, Total OPEB Liability schedule, supplemental pension plan schedules, and Wisconsin Retirement System schedules on pages 37 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Required Supplementary Information (Continued)***

Management has omitted a management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our 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 School District of La Farge’s basic financial statements. The combining fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements 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 will issue a report on our consideration of the School District of La Farge’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School District of La Farge’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 School District of La Farge’s internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
November 21, 2023

## **BASIC FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF LA FARGE**  
**DISTRICT-WIDE STATEMENT OF NET POSITION**  
As of June 30, 2023

	Governmental Activities
<b>Assets</b>	
<b>Current assets:</b>	
Cash and investments	\$ 1,380,702
Restricted cash	170,135
Receivables:	
Taxes	429,475
Due from other governments	210,666
<b>Total current assets</b>	<b>2,190,978</b>
<b>Noncurrent assets:</b>	
Capital assets not being depreciated	6,689,715
Capital assets being depreciated	5,851,710
Less: Accumulated depreciation	(4,003,157)
<b>Total noncurrent assets</b>	<b>8,538,268</b>
<b>Total assets</b>	<b>10,729,246</b>
<b>Deferred outflows of resources</b>	
OPEB - District health insurance plan outflows	34,263
Pension outflows	2,254,619
Supplemental pension outflows	6,000
<b>Total deferred outflows of resources</b>	<b>2,294,882</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 13,024,128</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 186,518
Accrued liabilities:	
Payroll and payroll taxes	374,931
Interest	42,972
Current portion of long-term obligations	313,936
<b>Total current liabilities</b>	<b>918,357</b>
<b>Noncurrent liabilities:</b>	
Long-term obligations, net of current portion	5,487,717
Bond premium	186,204
OPEB - District health insurance plan	123,897
Net pension liability	620,559
Supplemental pension	39,574
<b>Total noncurrent liabilities</b>	<b>6,457,951</b>
<b>Total liabilities</b>	<b>7,376,308</b>
<b>Deferred inflows of resources</b>	
OPEB - District health insurance plan inflows	62,886
Pension inflows	1,303,137
<b>Total deferred inflows of resources</b>	<b>1,366,023</b>
<b>Net position</b>	
Net investment in capital assets	2,604,408
Restricted:	
Common school funds	9,533
Get kids ahead	540
Back to school supplemental aid	22,788
Special projects	369,483
Debt service	139,010
Food service	93,880
Capital projects	10
Unrestricted	1,042,145
<b>Total net position</b>	<b>4,281,797</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 13,024,128</b>

See accompanying notes to financial statements.



**SCHOOL DISTRICT OF LA FARGE**  
**DISTRICT-WIDE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue
					Total Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular instruction	\$ 1,990,376	\$ 75	\$ 405,656	\$ -	\$ (1,584,645)
Vocational instruction	185,144	-	-	-	(185,144)
Physical instruction	76,351	-	-	-	(76,351)
Special education instruction	349,200	-	148,077	-	(201,123)
Other instruction	209,896	7,460	-	-	(202,436)
<b>Total instruction</b>	<u>2,810,967</u>	<u>7,535</u>	<u>553,733</u>	<u>-</u>	<u>(2,249,699)</u>
Support services:					
Pupil services	208,502	-	109,437	-	(99,065)
Instructional staff services	205,067	-	255,346	-	50,279
General administration services	341,288	-	-	-	(341,288)
Building administration services	175,671	-	-	-	(175,671)
Business services	124,381	-	-	-	(124,381)
Operation and maintenance	479,614	-	-	73,610	(406,004)
Pupil transportation	206,452	-	14,149	-	(192,303)
Central services	103,148	-	33,300	-	(69,848)
Insurance	55,931	-	-	-	(55,931)
Other support services	13,500	-	-	-	(13,500)
Interest and fiscal charges	134,732	-	-	-	(134,732)
Food service	166,716	11,365	170,587	-	15,236
<b>Total support services</b>	<u>2,215,002</u>	<u>11,365</u>	<u>582,819</u>	<u>73,610</u>	<u>(1,547,208)</u>
Nonprogram:					
Purchased instructional services	644,511	-	38,655	-	(605,856)
Other nonprogram	20,607	-	-	-	(20,607)
<b>Total nonprogram</b>	<u>665,118</u>	<u>-</u>	<u>38,655</u>	<u>-</u>	<u>(626,463)</u>
Depreciation - unallocated*	51,246	-	-	-	(51,246)
<b>Total governmental activities</b>	<u>5,742,333</u>	<u>18,900</u>	<u>1,175,207</u>	<u>73,610</u>	<u>(4,474,616)</u>

**General revenues:**

Property tax:	
General purpose	819,683
Debt service	546,719
State and federal aids not restricted to specific functions:	
General	2,849,856
Payments in lieu of taxes	149,420
Interest and investment earnings	19,409
Miscellaneous	226,621
<b>Total general revenues</b>	<u>4,611,708</u>
<b>Change in net position</b>	137,092
<b>Net position - beginning of year</b>	4,144,705
<b>Net position - end of year</b>	<u>\$ 4,281,797</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 2.B.

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF LA FARGE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**As of June 30, 2023**

	Major Funds				
	General Fund	Capital Projects Fund	Special Revenue Trust Fund	Nonmajor Gov't. Funds	Total Gov't. Funds
<b>Assets</b>					
Cash and investments	\$ 741,427	\$ -	\$ 369,483	\$ 269,792	\$ 1,380,702
Restricted cash and investments	-	170,135	-	-	170,135
Receivables:					
Taxes	429,475	-	-	-	429,475
Due from other governments	203,580	-	-	7,086	210,666
<b>Total assets</b>	<u>\$ 1,374,482</u>	<u>\$ 170,135</u>	<u>\$ 369,483</u>	<u>\$ 276,878</u>	<u>\$ 2,190,978</u>
<b>Liabilities</b>					
Accounts payable	\$ 16,393	\$ 170,125	\$ -	\$ -	\$ 186,518
Accrued liabilities:					
Payroll and payroll taxes	373,915	-	-	1,016	374,931
<b>Total liabilities</b>	<u>390,308</u>	<u>170,125</u>	<u>-</u>	<u>1,016</u>	<u>561,449</u>
<b>Fund balances</b>					
Restricted	32,861	10	369,483	275,862	678,216
Unassigned	951,313	-	-	-	951,313
<b>Total fund balances</b>	<u>984,174</u>	<u>10</u>	<u>369,483</u>	<u>275,862</u>	<u>1,629,529</u>
<b>Total liabilities and     fund balances</b>	<u>\$ 1,374,482</u>	<u>\$ 170,135</u>	<u>\$ 369,483</u>	<u>\$ 276,878</u>	<u>\$ 2,190,978</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF LA FARGE**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**As of June 30, 2023**

		Total Gov't. Funds
<b>Total fund balances from previous page</b>		\$ 1,629,529
 <i>Total net position reported for governmental activities in the Statement of Net Position are different from the amount reported as total governmental funds' fund balance because:</i>		
 Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the Statement of Net Position are:		
Governmental capital assets	\$ 12,541,425	
Governmental accumulated depreciation	(4,003,157)	8,538,268
 Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	2,294,882	
Deferred inflows of resources	(1,366,023)	928,859
 Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the Statement of Net Position that are not reported in the Governmental Funds Balance Sheet are:		
General obligation debt	(5,743,215)	
Accrued interest on general obligation debt	(42,972)	
Debt premium	(186,204)	
OPEB - District health insurance plan	(123,897)	
Net pension liability	(620,559)	
Supplemental pension	(39,574)	
Compensated absences	(58,438)	(6,814,859)
 <b>Total net position - governmental activities</b>		 <b>\$ 4,281,797</b>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF LA FARGE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	Major Funds				Total Gov't Funds
	General Fund	Capital Projects Fund	Special Revenue Trust Fund	Nonmajor Gov't. Funds	
<b>Revenues:</b>					
Property taxes	\$ 819,683	\$ -	\$ -	\$ 546,719	\$ 1,366,402
Other local sources	57,039	18,830	128,365	10,765	214,999
Interdistrict sources	558,145	-	-	-	558,145
Intermediate sources	34,757	-	-	-	34,757
State sources	2,860,305	-	-	4,595	2,864,900
Federal sources	624,299	-	-	165,992	790,291
Other sources	38,859	-	-	729	39,588
<b>Total revenues</b>	<u>4,993,087</u>	<u>18,830</u>	<u>128,365</u>	<u>728,800</u>	<u>5,869,082</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular instruction	1,896,544	-	-	-	1,896,544
Vocational instruction	173,109	-	-	-	173,109
Physical instruction	73,553	-	-	-	73,553
Special education instruction	331,904	-	-	-	331,904
Other instruction	105,913	-	108,500	-	214,413
<b>Total instruction</b>	<u>2,581,023</u>	<u>-</u>	<u>108,500</u>	<u>-</u>	<u>2,689,523</u>
<b>Support services:</b>					
Pupil services	204,770	-	-	-	204,770
Instructional staff services	197,931	-	-	-	197,931
General administration services	328,441	-	-	-	328,441
Building administration services	164,318	-	-	-	164,318
Business services	120,571	-	-	-	120,571
Operation and maintenance	440,958	63,447	-	5,127	509,532
Pupil transportation	211,080	-	-	-	211,080
Central services	103,148	-	-	-	103,148
Insurance	55,931	-	-	-	55,931
Other support services	13,500	-	12,425	-	25,925
Food service	184	-	-	165,007	165,191
<b>Total support services</b>	<u>1,840,832</u>	<u>63,447</u>	<u>12,425</u>	<u>170,134</u>	<u>2,086,838</u>
<b>Debt service:</b>					
Principal	-	-	-	302,128	302,128
Interest	-	-	-	136,297	136,297
<b>Total debt service</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,425</u>	<u>438,425</u>
<b>Nonprogram:</b>					
Purchased instructional services	644,511	-	-	-	644,511
Other nonprogram	-	-	8,182	-	8,182
<b>Total nonprogram</b>	<u>644,511</u>	<u>-</u>	<u>8,182</u>	<u>-</u>	<u>652,693</u>
<b>Capital outlay</b>	<u>34,790</u>	<u>1,345,416</u>	<u>-</u>	<u>15,098</u>	<u>1,395,304</u>
<b>Total expenditures</b>	<u>5,101,156</u>	<u>1,408,863</u>	<u>129,107</u>	<u>623,657</u>	<u>7,262,783</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(108,069)</u>	<u>(1,390,033)</u>	<u>(742)</u>	<u>105,143</u>	<u>(1,393,701)</u>
<b>Other financing sources (uses):</b>					
Proceeds of bond anticipation note	-	225,000	-	-	225,000
Transfer from other funds	-	-	-	13,706	13,706
Transfer to other funds	(13,706)	-	-	-	(13,706)
<b>Total other financing sources (uses)</b>	<u>(13,706)</u>	<u>225,000</u>	<u>-</u>	<u>13,706</u>	<u>225,000</u>
<b>Net change in fund balances</b>	<u>(121,775)</u>	<u>(1,165,033)</u>	<u>(742)</u>	<u>118,849</u>	<u>(1,168,701)</u>
<b>Fund balances - beginning of year</b>	<u>1,105,949</u>	<u>1,165,043</u>	<u>370,225</u>	<u>157,013</u>	<u>2,798,230</u>
<b>Fund balances - end of year</b>	<u>\$ 984,174</u>	<u>\$ 10</u>	<u>\$ 369,483</u>	<u>\$ 275,862</u>	<u>\$ 1,629,529</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF LA FARGE**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

<b>Net change in fund balances - total governmental funds</b>		\$ (1,168,701)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Capital outlay reported in governmental fund statements	\$ 1,395,304	
Capital assets not included in capital outlay	108,773	
Depreciation expense reported in the Statement of Activities	<u>(106,811)</u>	
<b>Amount by which capital outlays are greater (less) than depreciation in the current period:</b>		1,397,266
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
<b>The amount of general obligation debt principal payments in the current year is:</b>		302,128
In governmental funds, the effect of premiums, discounts and similar items are reported as revenues and expenditures when paid. In the Statement of Activities, these items are deferred and amortized over the life of the issue.		
<b>The amount of premium on long-term debt amortized in the current year is:</b>		10,345
Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities.		
<b>The amount of debt incurred in the current year is:</b>		(225,000)
Vested employee benefits, OPEB, and the supplemental pension liability are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Change in OPEB - health insurance plan liability and deferred outflows and inflows		(14,336)
Change in supplemental pension liability and related deferred outflows and inflows		4,323
Change in compensated absences		(12,398)
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
The amount of interest paid during the current period	136,297	
The amount of interest accrued during the current period	<u>(134,732)</u>	
<b>Interest paid is greater (less) than interest accrued by:</b>		1,565
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.		
Amount of current year required contributions into the defined benefit pension plan	144,684	
Actuarially determined change in net pension asset/liability between years, with adjustments	<u>(302,784)</u>	<u>(158,100)</u>
<b>Change in net position - governmental activities</b>		<u><u>\$ 137,092</u></u>

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF LA FARGE**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

	<u>PAGE</u>
Note 1. <u>Summary of Significant Accounting Policies</u> .....	11
A. Reporting Entity .....	11
B. Basis of Financial Statement Presentation .....	11 - 12
C. Basis of Accounting .....	13 - 14
D. Measurement Focus.....	14
E. Cash and Investments .....	15
F. Inventories.....	15
G. Long-Term Obligations.....	15
H. Capital Assets.....	15 - 16
I. Interfund Receivables and Payables.....	16
J. Budgets.....	16
K. Allowance for Uncollectible Accounts .....	16
L. Compensated Absences and Other Employee Benefit Amounts.....	16 - 17
M. Claims and Judgments.....	17
N. Interfund Transactions.....	17
O. Other Postemployment Benefits (OPEB).....	17
P. Pensions.....	17
Q. Deferred Outflows and Inflows of Resources .....	18
R. Equity Classifications.....	18 - 19
Note 2. <u>Detailed Notes on All Funds</u> .....	19
A. Cash and Investments .....	19 - 21
B. Capital Assets.....	22
C. Interfund Activity .....	23
D. Long-Term Obligations.....	23 - 24
E. Other Postemployment Benefits.....	24 - 27
F. Supplemental Pension Benefits .....	27 - 29
G. Pension Plan .....	29 - 34
H. Governmental Fund Balances.....	35
Note 3. <u>Other Information</u> .....	35
A. Risk Management.....	35
B. Commitments and Contingencies.....	35
C. Limitation of School District Revenues .....	36
D. Effect of New Accounting Standards on Current Period Financial Statements.....	36

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the School District of La Farge conform to generally accepted accounting principles applicable to governmental units.

**A. REPORTING ENTITY**

The School District of La Farge is organized as a common school district. The District, governed by a five member elected school board, operates kindergarten through grade 12 and is comprised of all or parts of seven taxing districts. This report includes all of the funds of the School District of La Farge. 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it 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. This report does not contain any component units.

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION**

**District-Wide Financial Statements**

The District-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The effect of interfund activity, within the governmental columns, has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues included (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

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



**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)**

**Fund Financial Statements (Continued)**

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

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

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following governmental funds:

General Fund – The General Fund is the District’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund. Special education revenues and expenses are included in the General Fund.

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays (other than those financed by proprietary funds and trust funds).

The District reports the following major governmental funds:

General Fund  
Capital Projects Fund  
Special Revenue Fund:  
    Special Revenue Trust Fund

The District reports the following nonmajor funds:

Special Revenue Fund:  
    Food Service Fund  
Debt Service Fund

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**C. BASIS OF ACCOUNTING**

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property tax revenues are recognized as revenue in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

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

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1<sup>st</sup>, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30<sup>th</sup> and are available to pay current liabilities.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**C. BASIS OF ACCOUNTING (Continued)**

State general and categorical aid and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

Charges for services provided by other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows are removed from the balance sheet and revenue is recognized.

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

**D. MEASUREMENT FOCUS**

On the District-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds, and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or non-spendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the District-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**E. CASH AND INVESTMENTS**

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

**F. INVENTORIES**

Governmental fund inventories are recorded at cost based on the FIFO (first-in, first-out) method using the consumption method of accounting.

**G. LONG-TERM OBLIGATIONS**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the District-Wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as a liability in the District-wide statements. The long-term debt consists primarily of notes, bonds, or loans payable, and vested employee benefits.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Debt issuance costs are recognized in the current period for the government-wide and governmental fund statements.

**H. CAPITAL ASSETS**

**District-Wide Statements**

In the District-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated acquisition value at the date of donation. The District maintains a threshold level of a unit cost of \$5,000 or more for capitalizing capital assets.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**H. CAPITAL ASSETS (Continued)**

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land improvements	20 years
Buildings and improvements	5 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 years

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**I. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**J. BUDGETS**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

The budgeted amounts presented include amendments adopted during the year. Transfers between functions and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level in the General Fund and at the fund level for all other funds.

**K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**L. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS**

The District's policy allows employees to earn and accumulate 11 days of leave for each year employed. The leave days may accumulate to a maximum of 60 days at the close of each school year. Unused accumulated leave days shall be paid out at varying rates depending on eligibility. The amount included in vested compensated absences at June 30, 2023 for this agreement equaled \$58,438.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**L. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS (Continued)**

As provided in applicable negotiated contracts, qualified employees meeting minimum age and length of service requirements may be eligible for certain other postemployment and supplemental pension benefits directly from the District (see Notes 2.E. and 2.F.).

**M. CLAIMS AND JUDGMENTS**

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the District-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

**N. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**O. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

For purposes of measuring the OPEB, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with benefit terms.

**P. PENSIONS**

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

- Net Pension Liability (Asset),
- Deferred inflows of resources related to pensions,
- Pension expense (revenue).

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

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Q. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The deferred outflows of resources are for the WRS pension system, OPEB, and supplemental pension.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources are for the WRS pension system and OPEB.

**R. EQUITY CLASSIFICATIONS**

**District-Wide Statements**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the District’s policy to use restricted resources first, then unrestricted resources as they are needed when both are available.

**Fund Statements**

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Non-spendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the Board of Education. A formal resolution by the Board of Education is required to establish, modify, or rescind a fund balance commitment.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**R. EQUITY CLASSIFICATIONS (Continued)**

**Fund Statements (Continued)**

- d. Assigned – amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education has designated the District Administrator as the official authorized to assign amounts to a specific purpose.
- e. Unassigned – the residual classification for the General Fund representing amounts not restricted, committed, or assigned to specific purposes.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District’s policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

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**NOTE 2. DETAILED NOTES ON ALL FUNDS**

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**A. CASH AND INVESTMENTS**

Investment of District funds is restricted by State Statutes. Available investments are limited to:

- 1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
- 2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- 3. Bonds or securities issued or guaranteed by the federal government.
- 4. The Local Government Investment Pool (LGIP).
- 5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- 6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- 7. Repurchase agreements with public depositories, with certain conditions.



**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

The carrying amount of the District’s cash and investments totaled \$1,550,837 on June 30, 2023, and is summarized below:

Deposits with financial institutions	\$	1,497,882
Investments:		
Stock		52,955
		\$ 1,550,837
<b>Reconciliation to the basic financial statements:</b>		
District-Wide Statement of Net Position:		
Cash and investments	\$	1,380,702
Restricted cash and investments for:		
Capital Projects		170,135
		\$ 1,550,837

Fair Value Measurement – The District’s investments in marketable securities are measured and reported at fair value. Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The District uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the District’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The District uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the District measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

The Level 1 investments are reported at fair value in the District’s financial statements. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. The fair value of common stocks, corporate bonds, and U.S. government securities are based on the closing price reported on the active market where the individual securities are traded.

Investments by Fair Value Level	6/30/2023	Level		
		1	2	3
<i>Equity Securities</i>				
US Common Stock	\$ 52,955	\$ 52,955	\$ -	\$ -
Total	<u>\$ 52,955</u>	<u>\$ 52,955</u>	<u>\$ -</u>	<u>\$ -</u>

Deposits and investments of the District are subject to various risks. Following is a discussion of the specific risks and the District’s policy related to the risk.

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 evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the District. As of June 30, 2023, \$1,076,242 of the District’s deposits with financial institutions totaling \$1,530,278 was in excess of federal depository insurance limits and uncollateralized. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Deposits in each local and area bank are insured by the FDIC. Time and savings deposits are insured up to \$250,000. Separately, demand deposits are insured up to \$250,000. Deposits are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk – Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. The District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
Capital assets not being depreciated:				
Land	\$ 11,000	\$ -	\$ -	\$ 11,000
Construction work in progress	5,332,466	1,420,264	74,015	6,678,715
Total capital assets not being depreciated	<u>5,343,466</u>	<u>1,420,264</u>	<u>74,015</u>	<u>6,689,715</u>
Capital assets being depreciated:				
Land improvements	211,500	7,600	1,250	217,850
Buildings and improvements	4,309,413	74,015	-	4,383,428
Furniture and equipment	796,002	51,891	-	847,893
Vehicles	387,528	24,322	9,311	402,539
Total capital assets being depreciated	<u>5,704,443</u>	<u>157,828</u>	<u>10,561</u>	<u>5,851,710</u>
Total capital assets	<u>11,047,909</u>	<u>1,578,092</u>	<u>84,576</u>	<u>12,541,425</u>
Less: Accumulated depreciation for:				
Land improvements	171,906	3,926	1,250	174,582
Buildings and improvements	2,781,017	54,333	-	2,835,350
Furniture and equipment	602,070	33,173	-	635,243
Vehicles	351,914	15,379	9,311	357,982
Total accumulated depreciation	<u>3,906,907</u>	<u>106,811</u>	<u>10,561</u>	<u>4,003,157</u>
Net capital assets	<u>\$ 7,141,002</u>	<u>\$ 1,471,281</u>	<u>\$ 74,015</u>	<u>\$ 8,538,268</u>

Depreciation expense was charged to functions as follows:

Instruction:	
Regular	\$ 210
Vocational	4,810
Support services:	
Operation and maintenance	35,166
Pupil transportation	15,379
Unallocated to direct expenses	51,246
Total depreciation expense	<u>\$ 106,811</u>

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. INTERFUND ACTIVITY**

Interfund transfers for the year ended June 30, 2023, were as follows:

<u>Transfer From:</u>	<u>Transfer To:</u>	<u>Purpose:</u>	<u>Amount</u>
General Fund	Debt Service Fund	To cover deficit	\$ 13,706

**D. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds, notes and loans payable:					
Notes from direct borrowings and direct placements	\$ 30,343	\$ 225,000	\$ 37,128	\$ 218,215	\$ 24,495
Bonds	5,790,000	-	265,000	5,525,000	285,000
Bond premium	196,549	-	10,345	186,204	-
Total bonds, notes and loans payable	<u>6,016,892</u>	<u>225,000</u>	<u>312,473</u>	<u>5,929,419</u>	<u>309,495</u>
Other liabilities:					
Sick leave payable	46,040	12,398	-	58,438	4,441
Total other liabilities	<u>46,040</u>	<u>12,398</u>	<u>-</u>	<u>58,438</u>	<u>4,441</u>
Total long-term liabilities	<u>\$ 6,062,932</u>	<u>\$ 237,398</u>	<u>\$ 312,473</u>	<u>\$ 5,987,857</u>	<u>\$ 313,936</u>

All general obligation bonds, notes and loans payable are backed by the full faith and credit of the District. Bonds, notes, and loans in the governmental funds will be retired by future property tax levies.

General obligation debt on June 30, 2023, is comprised of the following individual issues:

<u>Type</u>	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>Outstanding</u> <u>6/30/2023</u>
General obligation debt:					
Notes payable	7/23/2018	7/23/2023	4.00%	\$ 30,000	\$ 5,367
Bonds payable	3/22/2021	3/1/2041	2.00%	6,015,000	5,525,000
Notes payable	10/31/2022	10/31/2027	3.95%	225,000	212,848
Total general obligation debt					<u>\$ 5,743,215</u>

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**D. LONG-TERM OBLIGATIONS (Continued)**

Debt service requirements to maturity on general obligation debt are as follows:

Year Ended June 30,	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 24,495	\$ 8,557	\$ 33,052	\$ 285,000	\$ 125,800	\$ 410,800
2025	20,009	7,460	27,469	300,000	117,250	417,250
2026	20,808	6,661	27,469	305,000	108,250	413,250
2027	21,638	5,831	27,469	315,000	99,100	414,100
2028	131,265	2,594	133,859	325,000	89,650	414,650
2029-2033	-	-	-	1,560,000	333,500	1,893,500
2034-2038	-	-	-	1,475,000	185,500	1,660,500
2039-2041	-	-	-	960,000	38,600	998,600
	<u>\$ 218,215</u>	<u>\$ 31,103</u>	<u>\$ 249,318</u>	<u>\$ 5,525,000</u>	<u>\$ 1,097,650</u>	<u>\$ 6,622,650</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed ten percent of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2023, was \$15,885,771. Total general obligation debt outstanding at year end was \$5,743,215.

**E. OTHER POSTEMPLOYMENT BENEFITS**

The School District of La Farge reports its liabilities for other postemployment benefits based on an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

*Description of the Plan.* The District operates a single-employer retiree benefit plan that provides postemployment health benefits to eligible employees and their spouses. There are 48 active and 1 retired member in the plan as of June 30, 2021, the most recent actuarial valuation date. Benefits and eligibility are established and amended by the governing body and include postemployment health coverage.

The District does not issue a stand-alone financial report for this plan.

*Funding Policy.* The District will fund the OPEB on a pay-as-you-go basis. There are no assets accumulated in a trust that meet the criteria in *Governmental Accounting Standards* to pay related benefits.

*Contributions.* There are no required contributions.

*Detail of Benefits.* Retirees (and their dependents) may choose to remain on the District's group medical plan by self-paying the full (100%) amount of required premiums until age 65. To be eligible for benefits, retirees must be at least age 55 with a minimum of 15 years of service with the District.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**E. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Employees Covered by Benefit Terms.* Employees participating in the OPEB benefit consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	48
	49
	49

***Total OPEB Liability***

The District's total OPEB liability of \$123,897 was measured at June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50	percent
Salary increases	3.00	percent
Discount rate	4.00	percent
Healthcare cost trend rates	6.50	decreasing by 0.10% per year down to 5.00% and then level thereafter

Mortality rates used were from the "*Wisconsin Retirement System 2015 – 2017 Experience Study*".

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Index published by the Federal Reserve as of the week of the measurement date.

***Changes in the Total OPEB Liability***

	Total OPEB Liability
<b>Balance at 6/30/2021</b>	\$ 131,282
<b>Changes for the year:</b>	
Service cost	13,148
Interest	3,102
Differences between expected and actual experience	(4,434)
Changes in assumptions or other inputs	(19,201)
<b>Net Changes</b>	<b>(7,385)</b>
<b>Balance at 6/30/2022</b>	<b>\$ 123,897</b>

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**E. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The discount rate was updated based on the S&P Municipal Bond 20 Year high Grade Index as of the week of the measurement date (4.00%) in compliance with GASB 75. All other assumptions and methods remained unchanged from the actuarial valuation performed as of June 30, 2021.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the District if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

		1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	6/30/2022	\$ 134,607	\$ 123,897	\$ 113,960

*Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates.* The following represents the total OPEB liability of the District if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

		1% Decrease (5.5% decreasing to 4.0%)	Current Trend (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB Liability	6/30/2022	\$ 107,976	\$ 123,897	\$ 143,051

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$14,336. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 6,895	\$ (21,224)
Changes of assumptions or other input	27,368	(41,662)
Contributions subsequent to the measurement date	-	-
	\$ 34,263	\$ (62,886)

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**E. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended June 30, 2023, to be reported for the fiscal year end June 30, 2024. Other 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:	
2023	\$ (1,914)
2024	(1,914)
2025	(1,914)
2026	(1,914)
2027	(1,914)
Thereafter	(19,053)
Total	<u><u>\$ (28,623)</u></u>

**F. SUPPLEMENTAL PENSION BENEFITS**

The School District of La Farge reports its liabilities for supplemental pension benefits based on an actuarially determined liability for the present value of projected future benefits for retired employees in the financial statements.

On June 30, 2023, the District's total supplemental pension liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

*Plan Description and Benefits Provided.* The District provided a defined contribution supplemental pension benefit to eligible administrators and teachers. The benefit is currently no longer available to active employees, but the District makes payments to current retirees from previous agreements, and some current employees have had this written into their contract. At the time of retirement, qualifying employees were eligible to receive \$6,000 per year in a tax-sheltered annuity for a period of three to five years. Benefits and eligibility are established and amended by the governing body. There is 1 retired employee receiving benefits and 2 current employees eligible to receive benefits in the plan as of the measurement date of June 30, 2022.

The plan does not issue stand-alone financial statements.

*Funding Policy.* Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The General Fund is used for funding all supplemental pension benefits. The employer makes all contributions.



**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**F. SUPPLEMENTAL PENSION BENEFITS (Continued)**

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Supplemental Pension.* For the year ended June 30, 2023, the District recognized supplemental pension expense of \$18,000. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the supplemental pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 6,000	\$ -
	\$ 6,000	\$ -

\$6,000 reported as deferred outflows related to the supplemental pension plan resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended June 30, 2024. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to supplemental pension that will be recognized in pension expense in future years.

Below is a schedule of changes in the supplemental pension liability for the current reporting period:

	Total Pension Liability
<b>Balance at 6/30/2021</b>	\$ 55,897
<b>Changes for the Year</b>	
Interest	1,677
Benefit Payments	(18,000)
<b>Net Change</b>	<b>(16,323)</b>
<b>Balance at 6/30/2022</b>	<b>\$ 39,574</b>

*Actuarial assumptions.* The total pension liability in the June 30, 2022, actuarial valuation, measured as of June 30, 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2022
Measurement Date of Total Pension Liability	June 30, 2022
Discount Rate	3.00%

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. SUPPLEMENTAL PENSION BENEFITS (Continued)**

*Single Discount rate.* A single discount rate of 3.00% (based upon all years of projected payments discounted at a rate of 3.00%) was used in this valuation in calculating the supplemental pension liability. It was assumed that the District would continue to fund its retiree benefits out of the General Fund assets on a pay-as-you-go basis.

*Sensitivity of the District's supplemental pension liability to changes in the discount rate.* The following presents the District's supplemental pension liability if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current discount rate:

	1% Decrease 2.00%	Current Discount Rate 3.00%	1% Increase 4.00%
Total Supplemental Pension Liability	\$ 38,736	\$ 39,574	\$ 40,424

**G. PENSION PLAN**

**General Information about the Pension Plan**

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

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

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

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

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

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

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. PENSION PLAN (Continued)**

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

The WRS also provides death and disability benefits for employees.

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

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

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

During the reporting period, the WRS recognized \$144,684 in contributions from the employer.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. PENSION PLAN (Continued)**

Contribution rates as of June 30, 2023, are:

Employee Category	Employee	Employer
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 (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On June 30, 2023, the District reported a liability (asset) of \$620,559 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) 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 (asset) was based on a projection of the District's share of contributions to the pension plan relative to the contributions of all participating employers. On December 31, 2022, the District's proportion was 0.01171375%, which was an increase of 0.00027793% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$312,889. On 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	\$ 988,359	\$ (1,298,482)
Net differences between projected and actual earnings on pension plan investments	1,054,187	-
Changes in assumptions	122,027	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,185	(4,655)
Employer contributions subsequent to the measurement date	87,861	-
Total	\$ 2,254,619	\$ (1,303,137)

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. PENSION PLAN (Continued)**

\$87,861 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 34,285
2025	178,870
2026	183,792
2027	466,674
2028	-
Total	\$ 863,621

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
	January 1, 2018 - December 31, 2020
Experience Study:	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
Post-Retirement Adjustments*	1.7%

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

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

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. PENSION PLAN (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<sup>1</sup>

As of December 31, 2022

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

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

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

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

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. PENSION PLAN (Continued)**

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For the purpose 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%, 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%) or 1-percentage-point higher (7.80%) 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)	\$ 2,059,617	\$ 620,559	\$ (369,388)

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>.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**H. GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements on June 30, 2023, include the following:

**Restricted**

Major funds:

General Fund

Unspent common school library aid	\$	9,533
Get kids ahead initiative		540
Back to school supplemental aid		22,788
Capital projects		10
Special revenue trust		369,483

Nonmajor funds:

Debt service		181,982
Food service		93,880
Total restricted fund balances		678,216

**Unassigned**

Major fund:

General Fund		951,313
Total unassigned fund balances		951,313
Total governmental fund balances	\$	1,629,529

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**NOTE 3. OTHER INFORMATION**

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**A. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

**B. COMMITMENTS AND CONTINGENCIES**

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

The District approved a line of credit in an amount not to exceed \$500,000. As of the date of this report, there have been no draws against the line of credit.



**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**NOTE 3. OTHER INFORMATION (Continued)**

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**C. LIMITATION OF SCHOOL DISTRICT REVENUES**

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

This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

The electors of the District approved a referendum in November 2008 which authorized the District to exceed the revenue limit specified in State Statutes by \$250,000 per year for each year thereafter.

**D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When this becomes effective, application of this standard may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF LA FARGE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 819,683	\$ 819,683	\$ 819,683	\$ -
Other local sources	54,200	54,200	57,039	2,839
Interdistrict sources	558,436	558,436	558,145	(291)
Intermediate sources	3,600	3,600	12,756	9,156
State sources	2,756,854	2,756,854	2,751,206	(5,648)
Federal sources	805,324	805,324	523,677	(281,647)
Other sources	309,000	309,000	38,859	(270,141)
<b>Total revenues</b>	<u>5,307,097</u>	<u>5,307,097</u>	<u>4,761,365</u>	<u>(545,732)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular instruction	2,303,907	2,303,907	1,896,544	407,363
Vocational instruction	4,900	4,900	173,109	(168,209)
Physical instruction	700	700	73,553	(72,853)
Other instruction	112,178	112,178	105,913	6,265
<b>Total instruction</b>	<u>2,421,685</u>	<u>2,421,685</u>	<u>2,249,119</u>	<u>172,566</u>
<b>Support services:</b>				
Pupil services	106,692	106,692	147,214	(40,522)
Instructional staff services	85,300	85,300	190,135	(104,835)
General administration services	515,538	515,538	328,441	187,097
Building administration services	163,816	163,816	164,318	(502)
Business services	125,168	125,168	120,571	4,597
Operation and maintenance	799,315	799,315	440,958	358,357
Pupil transportation	138,696	138,696	183,684	(44,988)
Central services	111,300	111,300	103,148	8,152
Insurance	55,100	55,100	55,931	(831)
Other support services	6,000	6,000	13,500	(7,500)
Food service	-	-	184	(184)
<b>Total support services</b>	<u>2,106,925</u>	<u>2,106,925</u>	<u>1,748,084</u>	<u>358,841</u>
<b>Nonprogram:</b>				
Purchased instructional services	502,454	502,454	554,555	(52,101)
<b>Total nonprogram</b>	<u>502,454</u>	<u>502,454</u>	<u>554,555</u>	<u>(52,101)</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>34,790</u>	<u>(34,790)</u>
<b>Total expenditures</b>	<u>5,031,064</u>	<u>5,031,064</u>	<u>4,586,548</u>	<u>444,516</u>
<b>Excess (deficiency) of</b> <b>revenues over expenditures</b>	<u>276,033</u>	<u>276,033</u>	<u>174,817</u>	<u>(101,216)</u>
<b>Other financing sources (uses):</b>				
Transfer to other funds	(331,951)	(331,951)	(296,592)	35,359
<b>Total other financing sources (uses)</b>	<u>(331,951)</u>	<u>(331,951)</u>	<u>(296,592)</u>	<u>35,359</u>
<b>Net change in fund balance</b>	<u>(55,918)</u>	<u>(55,918)</u>	<u>(121,775)</u>	<u>(65,857)</u>
<b>Fund balance - beginning of year</b>	<u>1,105,949</u>	<u>1,105,949</u>	<u>1,105,949</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 1,050,031</u>	<u>\$ 1,050,031</u>	<u>\$ 984,174</u>	<u>\$ (65,857)</u>

See notes to required supplementary information.

**SCHOOL DISTRICT OF LA FARGE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SPECIAL EDUCATION FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>Revenues:</b>				
Intermediate sources	\$ 25,000	\$ 25,000	\$ 22,001	\$ (2,999)
State sources	103,000	103,000	109,099	6,099
Federal sources	92,000	92,000	100,622	8,622
<b>Total revenues</b>	220,000	220,000	231,722	11,722
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Special education instruction	373,648	373,648	331,904	41,744
<b>Total instruction</b>	373,648	373,648	331,904	41,744
<b>Support services:</b>				
Pupil services	106,034	106,034	57,556	48,478
Instructional staff services	3,900	3,900	7,796	(3,896)
Pupil transportation	13,574	13,574	27,396	(13,822)
<b>Total support services</b>	123,508	123,508	92,748	30,760
<b>Nonprogram:</b>				
Purchased instructional services	40,000	40,000	89,956	(49,956)
<b>Total nonprogram</b>	40,000	40,000	89,956	(49,956)
<b>Total expenditures</b>	537,156	537,156	514,608	22,548
<b>Excess (deficiency) of</b>				
<b>revenues over expenditures</b>	(317,156)	(317,156)	(282,886)	34,270
<b>Other financing sources (uses):</b>				
Transfer from other funds	317,156	317,156	282,886	(34,270)
<b>Total other financing</b>	317,156	317,156	282,886	(34,270)
<b>sources (uses)</b>	317,156	317,156	282,886	(34,270)
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ -	\$ -

See notes to required supplementary information.

**SCHOOL DISTRICT OF LA FARGE**  
**EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS**  
**AND GAAP REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2023**

	General Fund	Special Education Fund
<b>A) Sources/Inflows of Resources:</b>		
Actual amounts of total revenues from the budgetary comparison schedules	\$ 4,761,365	\$ 231,722
Reclassification: Special Education Fund revenues are reclassified to the General Fund, required for GAAP reporting	231,722	(231,722)
General Fund revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 4,993,087	\$ -
<b>B) Uses/Outflows of Resources:</b>		
Actual amounts of total expenditures from the budgetary comparison schedules	\$ 4,586,548	\$ 514,608
Reclassification: Special Education Fund expenditures are reclassified to the General Fund, required for GAAP reporting	514,608	(514,608)
General Fund expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 5,101,156	\$ -

See notes to required supplementary information.

**SCHOOL DISTRICT OF LA FARGE  
TOTAL OPEB LIABILITY SCHEDULE  
For the Year Ended June 30, 2023**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND  
RELATED RATIOS AS OF THE MEASUREMENT DATE**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>						
Service costs	\$ 13,148	\$ 16,782	\$ 13,409	\$ 9,235	\$ 9,628	\$ 9,628
Interest	3,102	3,855	5,128	3,986	3,539	3,302
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(4,434)	(20,245)	-	9,959	-	-
Changes in assumptions or other inputs	(19,201)	(26,879)	14,902	22,972	(1,945)	-
Benefit payments	-	(10,367)	(10,215)	(5,809)	(5,919)	(6,360)
Net change in total OPEB	(7,385)	(36,854)	23,224	40,343	5,303	6,570
Total OPEB Liability-Beginning	131,282	168,136	144,912	104,569	99,266	92,696
Total OPEB Liability-Ending	<u>\$ 123,897</u>	<u>\$ 131,282</u>	<u>\$ 168,136</u>	<u>\$ 144,912</u>	<u>\$ 104,569</u>	<u>\$ 99,266</u>
 <b>Covered Employee Payroll</b>	 \$ 1,975,224	 \$ 1,975,224	 \$ 1,746,531	 \$ 1,746,531	 \$ 1,321,252	 \$ 1,321,252
 <b>Total OPEB Liability as a percentage of covered-employee payroll</b>	 6.27%	 6.65%	 9.63%	 8.30%	 7.91%	 7.51%

See notes to required supplementary information.

**SCHOOL DISTRICT OF LA FARGE  
SUPPLEMENTAL PENSION PLAN SCHEDULES  
For the Year Ended June 30, 2023**

Last 10 Years

Year ended June 30,	District's Total Supplemental Pension Liability	District's Covered Payroll	District's Supplemental Pension Liability as a Percentage of Covered Payroll	District's Pension Expense
2022	\$ 39,574	\$ 180,230	22%	\$ 18,000
2021	55,897	173,298	32%	24,000
2020	77,570	164,437	47%	30,500
2019	80,547	-	0%	18,500
2018	96,162	-	0%	18,500
2017	111,322	152,472	73%	12,500

Last 10 Years

<u>Changes for the Year</u>	2022	2021	2020	2019	2018	2017
Service costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,677	2,327	2,416	2,885	3,340	3,606
Changes in benefit terms	-	-	25,107	-	-	-
Benefit payments	(18,000)	(24,000)	(30,500)	(18,500)	(18,500)	(12,500)
Net Change in Total Pension Liability	(16,323)	(21,673)	(2,977)	(15,615)	(15,160)	(8,894)
Total Pension Liability - Beginning	55,897	77,570	80,547	96,162	111,322	120,216
Total Pension Liability - Ending	\$ 39,574	\$ 55,897	\$ 77,570	\$ 80,547	\$ 96,162	\$ 111,322

See notes to required supplementary information.

**SCHOOL DISTRICT OF LA FARGE**  
**WISCONSIN RETIREMENT SYSTEM SCHEDULES**  
**For the Year Ended June 30, 2023**

**Schedule of District's Proportionate Share of the Net Pension Liability (Asset)**

Last 10 Calendar Years\*

Year ended December 31,	District's proportionate share of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	District's covered-employee payroll	Collective net pension liability (asset) as a percentage of District's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.01171375%	\$ 620,559	\$ 2,196,100	28.26%	95.72%
2021	(0.01143582%)	(921,748)	2,001,587	(46.05%)	(106.02%)
2020	(0.01153305%)	(720,024)	1,876,569	(38.37%)	(105.26%)
2019	(0.01214301%)	(391,546)	1,835,468	(21.33%)	(102.96%)
2018	0.01272997%	452,892	1,833,259	24.70%	96.45%
2017	(0.01302726%)	(386,794)	1,941,065	(19.93%)	(102.93%)
2016	0.01291736%	106,470	1,913,788	5.56%	99.12%
2015	0.01283057%	208,494	1,814,626	11.49%	98.20%
2014	(0.01279901%)	(314,292)	1,784,073	(17.62%)	(102.74%)

\* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

**Schedule of Contributions**

Last 10 Fiscal Years\*\*

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 152,064	\$ (152,064)	\$ -	\$ 2,289,746	6.64%
2022	152,630	(152,630)	-	2,302,064	6.63%
2021	129,374	(129,374)	-	1,916,646	6.75%
2020	121,497	(121,497)	-	1,828,721	6.64%
2019	121,618	(121,618)	-	1,839,141	6.61%
2018	126,273	(126,273)	-	1,872,610	6.74%
2017	132,361	(132,361)	-	1,971,149	6.71%
2016	124,666	(124,666)	-	1,864,945	6.68%
2015	122,889	(122,889)	-	1,784,844	6.89%

\*\*The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

See notes to required supplementary information.



**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

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**NOTE 1. WISCONSIN RETIREMENT SYSTEM SCHEDULES**

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Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 1 preceding year.

*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.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

**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	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period	Amortization Period	Amortization Period	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:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
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%
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.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
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%
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 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 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 improvement scale (multiplied by 50%).	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.

**SCHOOL DISTRICT OF LA FARGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

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**NOTE 2. TOTAL OPEB LIABILITY SCHEDULE**

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Actuarial Assumptions. Key methods and assumptions used to calculate actuarially determined contributions (ADC) were as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	4.00%
Inflation	2.50%

Changes of Benefit Terms. There were no changes of benefit terms during the year.

Changes of Assumptions. The discount rate changed from 2.25% for the prior year to 4.00% for the current year.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

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**NOTE 3. SUPPLEMENTAL PENSION BENEFIT SCHEDULES**

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Governmental Accounting Standards Board Statement No. 73 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 4 preceding years.

Changes of Benefit Terms. There were no changes of benefit terms during the year.

Changes of Assumptions. There were no changes of assumptions during the year.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

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**NOTE 4. EXCESS EXPENDITURES OVER APPROPRIATIONS**

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The following expenditure functions had an excess of actual expenditures over budget for the year ended June 30, 2023:

Fund	Excess Expenditures
General Fund:	
Nonprogram	\$ 52,101
Capital outlay	34,790
Special Education Fund:	
Nonprogram	49,956

The excess expenditures were financed from favorable variances in other functional categories and from fund balance.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF LA FARGE**  
**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**As of June 30, 2023**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>Assets</b>				
Cash and investments	\$ 731,756	\$ 9,671	\$ -	\$ 741,427
Receivables:				
Taxes	429,475	-	-	429,475
Due from other governments	173,308	30,272	-	203,580
<b>Total assets</b>	<u>\$ 1,334,539</u>	<u>\$ 39,943</u>	<u>\$ -</u>	<u>\$ 1,374,482</u>
<b>Liabilities</b>				
Accounts payable	\$ 16,393	\$ -	\$ -	\$ 16,393
Accrued liabilities:				
Payroll and payroll taxes	333,972	39,943	-	373,915
<b>Total liabilities</b>	<u>350,365</u>	<u>39,943</u>	<u>-</u>	<u>390,308</u>
<b>Fund balances</b>				
Restricted	32,861	-	-	32,861
Unassigned	951,313	-	-	951,313
<b>Total fund balances</b>	<u>984,174</u>	<u>-</u>	<u>-</u>	<u>984,174</u>
<b>Total liabilities and     fund balances</b>	<u>\$ 1,334,539</u>	<u>\$ 39,943</u>	<u>\$ -</u>	<u>\$ 1,374,482</u>

**SCHOOL DISTRICT OF LA FARGE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GENERAL FUND**  
**For the Year Ended June 30, 2023**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>Revenues:</b>				
Property taxes	\$ 819,683	\$ -	\$ -	\$ 819,683
Other local sources	57,039	-	-	57,039
Interdistrict sources	558,145	-	-	558,145
Intermediate sources	12,756	22,001	-	34,757
State sources	2,751,206	109,099	-	2,860,305
Federal sources	523,677	100,622	-	624,299
Other sources	38,859	-	-	38,859
<b>Total revenues</b>	<u>4,761,365</u>	<u>231,722</u>	<u>-</u>	<u>4,993,087</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular instruction	1,896,544	-	-	1,896,544
Vocational instruction	173,109	-	-	173,109
Physical instruction	73,553	-	-	73,553
Special education instruction	-	331,904	-	331,904
Other instruction	105,913	-	-	105,913
<b>Total instruction</b>	<u>2,249,119</u>	<u>331,904</u>	<u>-</u>	<u>2,581,023</u>
<b>Support services:</b>				
Pupil services	147,214	57,556	-	204,770
Instructional staff services	190,135	7,796	-	197,931
General administration services	328,441	-	-	328,441
Building administration services	164,318	-	-	164,318
Business services	120,571	-	-	120,571
Operation and maintenance	440,958	-	-	440,958
Pupil transportation	183,684	27,396	-	211,080
Central services	103,148	-	-	103,148
Insurance	55,931	-	-	55,931
Other support services	13,500	-	-	13,500
Food service	184	-	-	184
<b>Total support services</b>	<u>1,748,084</u>	<u>92,748</u>	<u>-</u>	<u>1,840,832</u>
<b>Nonprogram:</b>				
Purchased instructional services	554,555	89,956	-	644,511
<b>Total nonprogram</b>	<u>554,555</u>	<u>89,956</u>	<u>-</u>	<u>644,511</u>
<b>Capital outlay</b>				
<b>Total expenditures</b>	<u>4,586,548</u>	<u>514,608</u>	<u>-</u>	<u>5,101,156</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>174,817</u>	<u>(282,886)</u>	<u>-</u>	<u>(108,069)</u>
<b>Other financing sources (uses):</b>				
Transfer from other funds	-	282,886	(282,886)	-
Transfer to other funds	(296,592)	-	282,886	(13,706)
<b>Total other financing sources (uses)</b>	<u>(296,592)</u>	<u>282,886</u>	<u>-</u>	<u>(13,706)</u>
<b>Net change in fund balances</b>	<u>(121,775)</u>	<u>-</u>	<u>-</u>	<u>(121,775)</u>
<b>Fund balance - beginning of year</b>	<u>1,105,949</u>	<u>-</u>	<u>-</u>	<u>1,105,949</u>
<b>Fund balance - end of year</b>	<u>\$ 984,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 984,174</u>

**SCHOOL DISTRICT OF LA FARGE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of June 30, 2023**

	Debt Service Fund	Food Service Fund	Total Nonmajor Gov't. Funds
<b>Assets</b>			
Cash and investments	\$ 181,982	\$ 87,810	\$ 269,792
Due from other governments	-	7,086	7,086
<b>Total assets</b>	<b>\$ 181,982</b>	<b>\$ 94,896</b>	<b>\$ 276,878</b>
<b>Liabilities</b>			
Accrued liabilities:			
Payroll and payroll taxes	\$ -	\$ 1,016	\$ 1,016
<b>Total liabilities</b>	<b>-</b>	<b>1,016</b>	<b>1,016</b>
<b>Fund balances</b>			
Restricted	181,982	93,880	275,862
<b>Total fund balances</b>	<b>181,982</b>	<b>93,880</b>	<b>275,862</b>
<b>Total liabilities and fund balances</b>	<b>\$ 181,982</b>	<b>\$ 94,896</b>	<b>\$ 276,878</b>



**SCHOOL DISTRICT OF LA FARGE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	Debt Service Fund	Food Service Fund	Total Nonmajor Gov't. Funds
<b>Revenues:</b>			
Property taxes	\$ 546,719	\$ -	\$ 546,719
Other local sources	-	10,765	10,765
State sources	-	4,595	4,595
Federal sources	-	165,992	165,992
Other sources	-	729	729
<b>Total revenues</b>	<u>546,719</u>	<u>182,081</u>	<u>728,800</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Operation and maintenance	-	5,127	5,127
Food service	-	165,007	165,007
<b>Total support services</b>	<u>-</u>	<u>170,134</u>	<u>170,134</u>
<b>Debt service:</b>			
Principal	302,128	-	302,128
Interest and other fiscal charges	136,297	-	136,297
<b>Total debt service</b>	<u>438,425</u>	<u>-</u>	<u>438,425</u>
<b>Capital outlay</b>	<u>-</u>	<u>15,098</u>	<u>15,098</u>
<b>Total expenditures</b>	<u>438,425</u>	<u>185,232</u>	<u>623,657</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>108,294</u>	<u>(3,151)</u>	<u>105,143</u>
<b>Other financing sources (uses):</b>			
Transfer from other funds	13,706	-	13,706
<b>Total other financing sources (uses)</b>	<u>13,706</u>	<u>-</u>	<u>13,706</u>
<b>Net change in fund balances</b>	122,000	(3,151)	118,849
<b>Fund balances - beginning of year</b>	59,982	97,031	157,013
<b>Fund balances - end of year</b>	<u>\$ 181,982</u>	<u>\$ 93,880</u>	<u>\$ 275,862</u>