

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Mosinee School District
Mosinee, 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 Mosinee School District, Wisconsin, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Mosinee School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Mosinee School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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


Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the Mosinee School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Mosinee School District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP



Manitowoc, Wisconsin
December 18, 2023

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Mission Statement: The Mission of the Mosinee School District is to improve student progress academically and socially, preparing them to be productive members of a multicultural society; promote partnerships with the community to create multiple opportunities for learning; and foster life-long learners who are self-motivated with the adaptability for future change.

Management’s Discussion and Analysis

As management of the Mosinee School District (“District”), we offer readers of the District’s basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District’s basic financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Total governmental activities revenue was \$31,972,011; including \$8,984,042 of property taxes, \$16,855,901 of general state and federal aid. Total governmental activities expenditures were \$35,778,336; including \$15,959,580 for direct instruction.

The District’s financial status, as reflected in total net position, decreased by \$3,806,325.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

The basic financial statements consist of two kinds of statements that present different views of the District’s financial activities.

- The *Statement of Net Position* and *Statement of Activities* provide information on a district-wide basis. The statements present an aggregate view of the District’s finances. District-wide statements contain useful long-term information as well as information for the just completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements.

The *notes to the financial statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District’s financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District’s budget data for the year.

The major features of the District’s financial statements, including the activities reported and the type of information contained is shown in the following table.

Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the District are reported here.
Required financial statements	Statement of net position. Statement of activities.	Balance sheet. Statement of revenues, expenditures and changes in fund balance.	Statement of net position. Statement of changes in net position.
Basis of accounting and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting economic resources focus.
Type of asset and liability information	All assets and liabilities; both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; received during or soon after expenditures when goods or services have been received and the related liability are due and payable.	All additions or deductions during the year, regardless of when cash is received and paid.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of activities reports all revenues and expenses used to support the District. The statement of net position reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources available to support District activities. The two district-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, food service, community programs and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two kinds of funds:

- *Governmental funds*-Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- *Fiduciary funds*-The District serves as a trustee, or fiduciary, for various student organizations. The assets of these organizations belong to the organization and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2023 compared to 2022. The District's combined net position decreased by \$3,806,325. Specific causes of the decrease are discussed later in this document.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2023</u>	<u>2022</u>	<u>2022 - 2023</u>
Current and other assets	\$ 14,788	\$ 25,128	-41.1%
Capital assets	<u>29,361</u>	<u>30,251</u>	-2.9%
Total assets	<u>44,149</u>	<u>55,379</u>	-20.3%
Deferred outflows of resources	<u>15,576</u>	<u>12,753</u>	22.1%
Long-term liabilities			
outstanding	21,153	18,434	14.7%
Other liabilities	<u>1,529</u>	<u>1,854</u>	-17.5%
Total liabilities	<u>22,682</u>	<u>20,288</u>	11.8%
Deferred inflows of resources	<u>12,099</u>	<u>19,094</u>	-36.6%
Net position:			
Net investment in capital assets	12,572	12,088	4.0%
Restricted	5,063	15,981	-68.3%
Unrestricted	<u>7,308</u>	<u>681</u>	973.1%
Total net position	<u>\$ 24,944</u>	<u>\$ 28,750</u>	-13.2%

Note: Totals may not add due to rounding.

Table 2
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Total % Change
	2023	2022	2022 - 2023
Revenues			
Program revenues			
Charges for services	\$ 476	\$ 193	146.6%
Operating grants and contributions	2,868	2,909	-1.4%
General revenues			
Property taxes	8,984	10,577	-15.1%
State and federal aid	16,856	17,705	-4.8%
Other	2,788	2,445	14.0%
Total revenues	<u>31,972</u>	<u>33,809</u>	-5.4%
Expenses			
Instruction	15,960	13,889	14.9%
Pupil and instructional services	2,900	2,720	6.6%
Administration and business	13,016	4,883	166.6%
Interest on debt	538	598	-10.0%
Other	3,365	5,857	-42.5%
Total expenses	<u>35,778</u>	<u>27,946</u>	28.0%
(Decrease) increase in net position	<u>\$ (3,806)</u>	<u>\$ 5,863</u>	-164.9%

Note: Totals may not add due to rounding.

Table 2 provides summarized operating results and their impact on net position.

The District relies primarily on state and federal aids (53%) and property taxes (28%) to fund governmental activities. These two funding sources make up 81% of the total revenues.

Table 3 presents the cost of the five major district activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(in thousands of dollars)

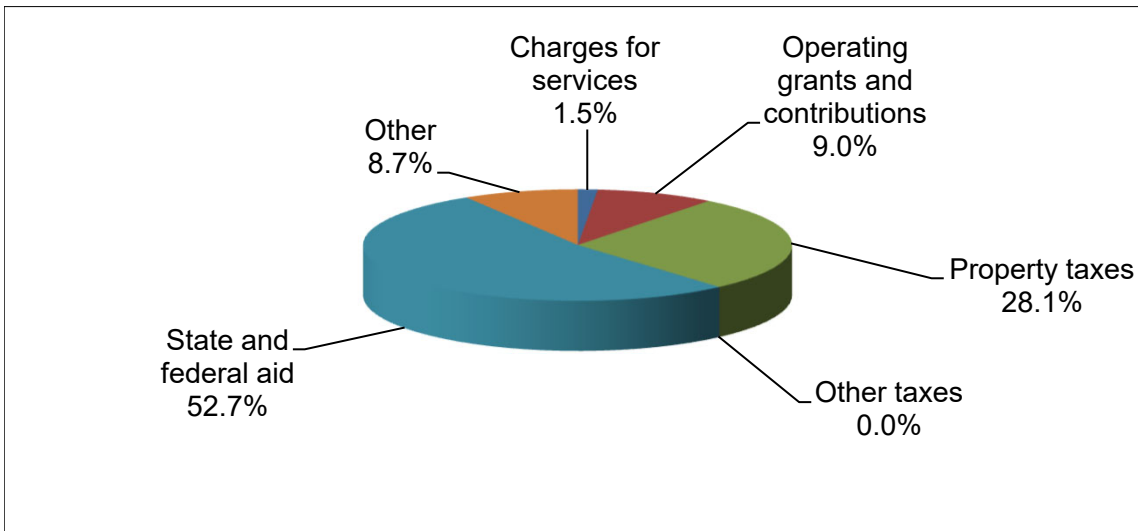
	Net Cost of Services		Total % Change
	2023	2022	2022 - 2023
Instruction	\$ 13,742	\$ 12,066	13.9%
Pupil and instructional services	2,795	2,637	6.0%
Administration and business	12,023	3,705	224.5%
Interest on debt	538	598	-10.0%
Other	3,337	5,841	-42.9%
Total	\$ 32,435	\$ 24,847	30.5%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$35,778,336. Individuals who directly participated or benefited from a program offering paid for \$475,724 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$2,867,961. The net cost of governmental activities, \$32,434,651, was financed by general revenues of the District.

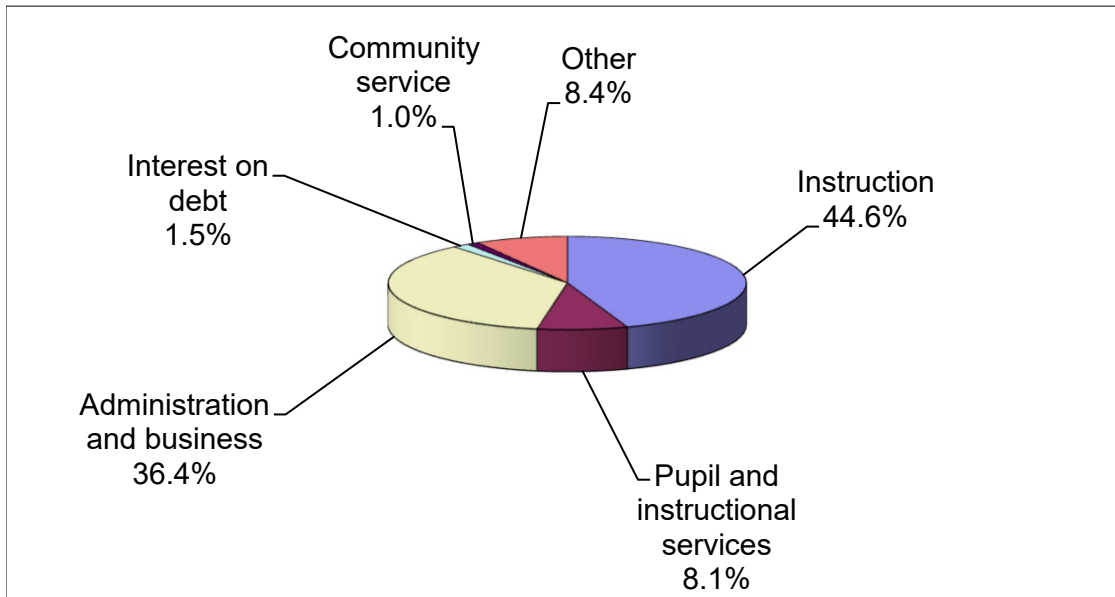
The composition of governmental revenues by type and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



Note: Totals may not add to 100% due to rounding.

**Governmental Activities Expenditure by Type
Chart 2**



Note: Totals may not add to 100% due to rounding.

The District completed the year with a total governmental fund balance of \$11,599,434 down from last year's ending fund balance of \$15,281,539.

The general fund had a decrease in fund balance of \$526,183.

The long-term capital improvement trust fund had a decrease in fund balance of \$3,063,126.

The referendum approved debt service fund had an increase in fund balance of \$61,222.

The other governmental funds had a decrease in fund balance of \$154,018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in May for the subsequent year. Consistent with current state statutes and regulations an original budget is adopted in October, following determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified. The District did modify the original budget.

While the District's final budget for the general fund anticipated that expenses would exceed revenues by \$603,287 the actual results for the year show expenses exceeded revenues by \$526,183.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the District had invested \$55,904,585 in capital assets, including land, land improvements, buildings, equipment, and construction in progress (See Table 4). Total accumulated depreciation on these assets is \$26,543,123. Asset acquisitions for governmental activities totaled \$595,119. The District recognized depreciation expense of \$1,432,160 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2023</u>	<u>2022</u>	<u>2022 - 2023</u>
Land	\$ 382	\$ 382	0.0%
Land improvements	1,611	1,596	0.9%
Buildings	50,467	50,552	-0.2%
Equipment	3,186	2,642	20.6%
Construction in progress	259	223	16.1%
Accumulated depreciation	<u>(26,543)</u>	<u>(25,144)</u>	5.6%
Total	<u>\$ 29,361</u>	<u>\$ 30,251</u>	-2.9%

Note: Totals may not add due to rounding.

Long-Term Obligations

At year-end, the District had \$21,152,669 in bonds and other long-term debt outstanding - an increase of 15% from last year (see Table 5). Detailed information about the District's long-term obligations are presented in the notes to the financial statements.

Table 5
Outstanding Long-Term Obligations
(in thousands of dollars)

	Total		Total % Change
	2023	2022	2022 - 2023
General obligation debt	\$ 16,088	\$ 17,395	-7.5%
Other	5,064	1,039	387.4%
Total	<u>\$ 21,153</u>	<u>\$ 18,434</u>	14.7%

Note: Totals may not add due to rounding.

The District retired \$1,351,492 of bonds and notes payable during the year. Other transactions increased total debt by \$4,025,698.

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

FACTORS BEARING ON THE DISTRICT’S FUTURE

Currently known circumstances that will impact the District’s financial status in the future are:

The State of Wisconsin has an open enrollment law that allows students to attend school districts of their choice with few restrictions. The state adjusts each district's general aid payment based on the number of students who transfer. This year 189 non-resident open enrollment students attended the Mosinee School District with 180 Mosinee School District students attending other schools through tuition and the open enrollment program. The number of incoming students exceeded outgoing students by 9. It is important for the District to maintain the quality of instruction and physical property to remain competitive in the open enrollment environment.

Enrollment decreased for the 2022 - 2023 school year by 16 students.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information contact Michelle Brown, Business Manager, 146001 W Hwy 153, Mosinee, WI 54455.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN
BASIC
FINANCIAL STATEMENTS**

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

MOSINEE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments	\$ 9,989,725
Receivables	
Accounts	32,055
Taxes	2,191,647
Due from other governments	703,308
Receivable from external parties	54,943
Inventories	5,638
Prepays	14,234
OPEB supplemental pension	1,566,859
OPEB healthcare	229,533
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	640,459
Capital assets being depreciated	28,721,003
TOTAL ASSETS	44,149,404
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	15,060,965
OPEB supplemental pension	344,667
OPEB healthcare	169,988
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,575,620
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 59,725,024
 LIABILITIES	
Accounts payable	167,479
Self insurance claims payable	47,776
Accrued liabilities	
Payroll, payroll taxes, insurance	1,047,459
Interest	140,457
Deposits payable	58,834
Unearned revenue	67,121
Current portion of long-term obligations	1,686,081
Noncurrent portion of long-term obligations	19,466,588
TOTAL LIABILITIES	22,681,795
 DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	8,721,679
OPEB supplemental pension	675,032
OPEB healthcare	2,702,726
TOTAL DEFERRED INFLOWS OF RESOURCES	12,099,437
 NET POSITION	
Net investment in capital assets	12,572,216
Restricted for	
Special revenue	1,008,765
Debt service	2,074,528
Capital projects	179
Other activities	1,979,730
Unrestricted	7,308,374
TOTAL NET POSITION	24,943,792
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 \$ 59,725,024

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 9,374,282	\$ -	\$ -	\$ (9,374,282)
Vocational instruction	884,416	-	-	(884,416)
Special instruction	3,907,252	13,744	2,152,732	(1,740,776)
Other instruction	1,793,630	51,494	-	(1,742,136)
Total instruction	<u>15,959,580</u>	<u>65,238</u>	<u>2,152,732</u>	<u>(13,741,610)</u>
Support services				
Pupil services	1,650,692	-	-	(1,650,692)
Instructional staff services	1,249,249	-	104,590	(1,144,659)
General administration services	900,563	-	-	(900,563)
Building administration services	2,165,903	-	-	(2,165,903)
Business services	9,949,435	382,145	610,639	(8,956,651)
Central services	205,745	-	-	(205,745)
Insurance	116,040	-	-	(116,040)
Interest and other	537,576	-	-	(537,576)
Other support services	299,088	-	-	(299,088)
Community services	372,810	28,341	-	(344,469)
Total support services	<u>17,447,101</u>	<u>410,486</u>	<u>715,229</u>	<u>(16,321,386)</u>
Non-program transactions	2,371,655	-	-	(2,371,655)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 35,778,336	\$ 475,724	\$ 2,867,961	(32,434,651)
General revenues				
Taxes				
Property taxes 8,984,042				
Other taxes 3,812				
State and federal aids not restricted to specific functions 16,855,901				
Interest and investment earnings 236,881				
Miscellaneous 2,547,690				
Total general revenues <u>28,628,326</u>				
CHANGE IN NET POSITION (3,806,325)				
NET POSITION - BEGINNING OF YEAR 28,750,117				
NET POSITION - END OF YEAR \$ 24,943,792				

The accompanying notes are an integral part of these statements.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

MOSINEE SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	DEBT SERVICE FUND REFERENDUM APPROVED	LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 6,420,648	\$ 1,473,730	\$ -	\$ 2,095,347	\$ 9,989,725
Receivables					
Accounts	32,055	-	-	-	32,055
Taxes	2,191,647	-	-	-	2,191,647
Due from other funds	97,533	-	42,769	-	140,302
Due from other governments	695,843	-	-	7,465	703,308
Inventories	-	-	-	5,638	5,638
Prepays	14,234	-	-	-	14,234
TOTAL ASSETS	9,451,960	1,473,730	42,769	2,108,450	13,076,909
LIABILITIES					
Accounts payable	163,736	-	-	3,743	167,479
Self insurance claims payable	47,776	-	-	-	47,776
Accrued payroll liabilities	1,046,259	-	-	1,200	1,047,459
Due to other funds	42,769	-	42,590	-	85,359
Deposits payable	58,808	-	-	26	58,834
Unearned revenue	3,447	-	-	67,121	70,568
TOTAL LIABILITIES	1,362,795	-	42,590	72,090	1,477,475
FUND BALANCES					
Nonspendable	14,234	-	-	5,638	19,872
Restricted	183,338	1,473,730.00	179	1,609,563	3,266,810
Assigned	150,000	-	-	421,159	571,159
Unassigned	7,741,593	-	-	-	7,741,593
TOTAL FUND BALANCES	8,089,165	1,473,730	179	2,036,360	11,599,434
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,451,960	\$ 1,473,730	\$ 42,769	\$ 2,108,450	

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 55,904,585	
Governmental accumulated depreciation	(26,543,123)	29,361,462

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements: 6,339,286

Other post employment benefits deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements: (1,066,711)

Some revenues are unearned in the funds because they are not available to pay current period's expenditures: 3,447

Long-term liabilities 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 funds balance sheet are:

General obligation debt	\$ (16,789,246)	
Accrued interest	(140,457)	
WRS liability	(4,162,515)	
Vested employee benefits	(200,908)	(21,293,126)

Total net position - governmental activities **\$ 24,943,792**

MOSINEE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND		LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	REFERENDUM APPROVED		NONMAJOR GOVERNMENTAL FUNDS	
REVENUES					
Property taxes	\$ 6,729,263	\$ 712,687	\$ -	\$ 1,545,904	\$ 8,987,854
Other local sources	443,209	56,160	36,311	969,051	1,504,731
Interdistrict sources	1,652,112	-	-	-	1,652,112
Intermediate sources	79,573	-	-	-	79,573
State sources	17,355,032	-	-	10,449	17,365,481
Federal sources	1,768,297	-	-	507,770	2,276,067
Other sources	105,168	-	-	4,875	110,043
TOTAL REVENUES	28,132,654	768,847	36,311	3,038,049	31,975,861
EXPENDITURES					
Current					
Instruction					
Regular instruction	8,848,133	-	-	38,390	8,886,523
Vocational instruction	654,700	-	-	-	654,700
Special instruction	3,707,161	-	-	-	3,707,161
Other instruction	1,347,973	-	-	377,102	1,725,075
Total instruction	14,557,967	-	-	415,492	14,973,459
Support services					
Pupil services	1,559,156	-	-	7,108	1,566,264
Instructional staff services	1,136,135	-	-	-	1,136,135
General administration services	810,046	-	-	-	810,046
Building administration services	1,232,136	-	-	23,035	1,255,171
Business services	4,600,534	-	388,496	1,057,868	6,046,898
Central services	206,208	-	-	-	206,208
Insurance	178,480	-	-	-	178,480
Other support services	754,064	-	-	28,380	782,444
Community services	-	-	-	224,051	224,051
Total support services	10,476,759	-	388,496	1,340,442	12,205,697
Non-program transactions	2,251,830	-	-	67,726	2,319,556
Debt service					
Principal	-	635,000	-	716,492	1,351,492
Interest	-	72,225	-	544,090	616,315
Other	-	400	-	400	800
Total debt service	-	707,625	-	1,260,982	1,968,607
Capital outlay	421,999	-	3,704,496	108,917	4,235,412
TOTAL EXPENDITURES	27,708,555	707,625	4,092,992	3,193,559	35,702,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	424,099	61,222	(4,056,681)	(155,510)	(3,726,870)
OTHER FINANCING (USES) SOURCES					
Net transfer (to) from other funds	(995,047)	-	993,555	1,492	-
Issuance of long-term debt	44,765	-	-	-	44,765
TOTAL OTHER FINANCING (USES) SOURCES	(950,282)	-	993,555	1,492	44,765
NET CHANGE IN FUND BALANCE	(526,183)	61,222	(3,063,126)	(154,018)	(3,682,105)
FUND BALANCE - BEGINNING OF YEAR	8,615,348	1,412,508	3,063,305	2,190,378	15,281,539
FUND BALANCE - END OF YEAR	\$ 8,089,165	\$ 1,473,730	\$ 179	\$ 2,036,360	\$ 11,599,434

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$ (3,682,105)

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

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 fund statements	\$ 4,235,412	
Less noncapitalized outlay	(3,640,293)	
Depreciation expense reported in the statement of activities	(1,432,160)	
Net book value of capital assets disposed	<u>(52,099)</u>	
Amount by which capital outlays are less than depreciation in the current period:		(889,140)

The amount of the loan is reported in the governmental funds as a source of financing. In the statement of net position however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of loans reported in the governmental funds statement is: (44,765)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

This year the accrual of these benefits decreased by: 70,251

Wisconsin Retirement System asset, deferred inflows of resources, liability, and deferred outflows of resources changes: (1,196,111)

OPEB supplemental pension asset, deferred inflows of resources, liability, and deferred outflows of resources changes: (3,105)

OPEB healthcare asset, deferred inflows of resources, liability, and deferred outflows of resources changes: 511,469

Certain revenues are unearned in the governmental funds because they are not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year.

Unearned revenue recognized in the statement of activities: (4,152)

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.

Amount of long-term debt principal payments in the current year is: 1,351,492

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.

Amount of interest and other debt costs paid during the current period is	\$ 617,417	
Amount of interest and other debt costs accrued during the current period is	<u>(537,576)</u>	
Interest paid is greater than interest accrued by:		<u>79,841</u>

Change in net position - governmental activities \$ (3,806,325)

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>
ASSETS	
Cash and investments	\$ 4,945,492
TOTAL ASSETS	<u>4,945,492</u>
 LIABILITIES	
Accounts payable	59
Due to other funds	<u>54,943</u>
TOTAL LIABILITIES	<u>55,002</u>
 NET POSITION	
Restricted for	
Postemployment benefits other than pensions	<u>4,890,490</u>
TOTAL NET POSITION	<u>4,890,490</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,945,492</u>

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2023

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	EMPLOYEE BENEFIT
ADDITIONS	
Investment income	\$ 242,888
Contributions	121,010
TOTAL ADDITIONS	363,898
 DEDUCTIONS	
Disbursements	539,635
Investment cost	93,449
TOTAL DEDUCTIONS	633,084
CHANGE IN NET POSITION	(269,186)
NET POSITION - BEGINNING OF YEAR	5,159,676
NET POSITION - END OF YEAR	\$ 4,890,490

The accompanying notes are an integral part of these statements.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The Mosinee School District is organized as a common school district. The District, governed by a nine member elected school board, operates grades K through 12 and is comprised of all or parts of nine taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District 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 impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Basis of Presentation

District-Wide Statements

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

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Long-Term Capital Improvement Trust Fund - are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District has one fiduciary fund which accounts for an employee benefit trust.

Measurement Focus and Basis of Accounting

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

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

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

The fiduciary fund(s) are reported using the economic resources measurement focus and the accrual basis of accounting.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, 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. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and the District before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

Due To/From Other Funds - 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. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

Inventories - Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated acquisition value at the date of donation

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	20-45 years
Land improvements	\$5,000	Straight-line	15-20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years
Computer and related technology	\$5,000	Straight-line	5 years

Debt Premiums and Discounts - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Compensated Absences - The District's policy permits employees to accumulate earned, but unused vacation and sick pay benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide statements. A liability for those amounts is recorded in the government funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits where applicable.

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

resources and deferred inflows of resources related to pensions, and 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.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial 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 future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, OPEB supplemental pension, and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension, OPEB supplemental pension, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of financial 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 District has three types of items, Wisconsin Retirement System pension, OPEB supplemental pension, and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension, OPEB supplemental pension, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has not delegated authority to assign fund balances through its fund balance policy and 5) unassigned fund balance consists of equity available for any purpose.

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies - Continued

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2023, the District had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
AUL Fixed Interest	Less than one year	\$ 3,772,421
Wisconsin Investment Series Cooperative	Less than one year	<u>6,068,927</u>
Total		<u>\$ 9,841,348</u>

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements:

- 1) Employee Benefit Trust is determined based on published market quotations (level 1 inputs).
- 2) Wisconsin Investment Series Cooperative is determined based on published market quotations (level 1 inputs).

Income Allocation - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The AUL Fixed Interest and Wisconsin Investment Series Cooperative is not rated.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 2 - Cash and Investments - Continued

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2023, \$2,706,892 of the District's bank balance of \$5,764,880 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by municipal government securities held by the bank in the bank's name and a letter of credit. \$1,062,292 was uninsured and uncollateralized.

NOTE 3 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 381,661	\$ -	\$ -	\$ 381,661
Construction in progress	222,944	35,854	-	258,798
Total capital assets not being depreciated	<u>604,605</u>	<u>35,854</u>	<u>-</u>	<u>640,459</u>
Capital assets being depreciated:				
Land improvements	1,596,243	14,692	-	1,610,935
Buildings and improvements	50,552,310	-	(85,408)	50,466,902
Equipment	2,641,716	544,573	-	3,186,289
Total capital assets being depreciated	<u>54,790,269</u>	<u>559,265</u>	<u>(85,408)</u>	<u>55,264,126</u>
Less accumulated depreciation for:				
Land improvements	(865,825)	(62,316)	-	(928,141)
Buildings and improvements	(22,146,296)	(1,277,527)	33,309	(23,390,514)
Equipment	(2,132,151)	(92,317)	-	(2,224,468)
Total accumulated depreciation	<u>(25,144,272)</u>	<u>(1,432,160)</u>	<u>33,309</u>	<u>(26,543,123)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>29,645,997</u>	<u>(872,895)</u>	<u>(52,099)</u>	<u>28,721,003</u>
Capital assets, net of accumulated depreciation	<u>\$ 30,250,602</u>	<u>\$ (837,041)</u>	<u>\$ (52,099)</u>	<u>\$ 29,361,462</u>

Depreciation expense was charged to governmental functions as follows:

Building administration services \$ 1,432,160

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 4 - Long-Term Obligations

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 17,395,000	\$ -	\$ (1,350,000)	\$ 16,045,000	\$ 1,410,000
Notes payable - direct borrowing	-	44,765	(1,492)	43,273	8,953
Premium	767,192	-	(66,219)	700,973	66,220
Vested vacation pay	27,778	59,011	(54,355)	32,434	32,434
Vested sick pay	243,381	218,699	(293,606)	168,474	168,474
Wisconsin Retirement System					
Net pension liability	-	4,162,515	-	4,162,515	-
OPEB healthcare	347	189,299	(189,646)	-	-
Total	<u>\$ 18,433,698</u>	<u>\$ 4,674,289</u>	<u>\$ (1,955,318)</u>	<u>\$ 21,152,669</u>	<u>\$ 1,686,081</u>

In prior years, the general and food service funds liquidated vested employee benefits. Interest cost incurred during the year totaled \$536,776 and total paid during the year aggregated \$616,315.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2023 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	6/17/15	2.5-3%	4/1/27	\$ 1,995,000
Bonds	4/12/18	3-5%	4/1/38	14,050,000
Notes	4/14/23	0%	5/14/28	43,273
Total				<u>\$ 16,088,273</u>

General Obligation Debt Limit Calculation - The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,419,150,111. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (10 percent of \$1,419,150,111)	\$ 141,915,011
Applicable long-term debt	(16,088,273)
Amount available in debt service fund	2,074,528
Margin of indebtedness	<u>\$ 127,901,266</u>

The April 14, 2023 note has a zero percent interest rate. Generally Accepted Accounting Principles requires non-interest bearing notes to have interest imputed on the outstanding principal balance.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 4 - Long-Term Obligations - Continued

\$4,341 of interest has been imputed based on an equivalent rate the District would pay for interest bearing notes.

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

Year Ending	Bonds		Borrowing and Placement		Total
	Principal	Interest	Principal	Interest	
June 30					
2024	\$ 1,410,000	\$ 561,515	\$ 8,953	\$ 1,598	\$ 1,982,066
2025	1,475,000	504,215	8,953	1,233	1,989,401
2026	1,480,000	447,590	8,953	868	1,937,411
2027	870,000	389,840	8,953	502	1,269,295
2028	905,000	355,040	7,461	140	1,267,641
2029-2033	5,005,000	1,296,018	-	-	6,301,018
2034-2038	4,900,000	439,768	-	-	5,339,768
	<u>\$ 16,045,000</u>	<u>\$ 3,993,986</u>	<u>\$ 43,273</u>	<u>\$ 4,341</u>	<u>\$ 20,086,600</u>

Defeased Debt - The District defeased general obligation debt by depositing money in an irrevocable trust account for future debt service payments of the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2023, \$775,000 of defeased debt remains outstanding.

NOTE 5 - Wisconsin Retirement System

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.

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 5 - Wisconsin Retirement System - Continued

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

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

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

The WRS also provides death and disability benefits for employees.

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
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15

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.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 5 - Wisconsin Retirement System - Continued

During the reporting period, the WRS recognized \$926,798 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At June 30, 2023, the District reported a liability (asset) of \$4,162,515 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 (asset) 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 the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.07857207%, which was a decrease of 0.0020996% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense (revenue) of \$2,124,127.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,629,599	\$ 8,709,804
Net differences between projected and actual earnings on pension plan investments	7,071,153	-
Changes in assumptions	818,522	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,609	11,875
Employer contributions subsequent to the measurement date	495,082	-
Total	\$ 15,060,965	\$ 8,721,679

\$495,082 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 5 - Wisconsin Retirement System - Continued

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2024	\$ 246,780
2025	1,212,891
2026	1,246,455
2027	3,138,078
Thereafter	\$ -

Actuarial Assumptions - The total pension liability (asset) 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
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.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 (asset) for December 31, 2022 is based upon a roll-forward of the liability (asset) calculated from the December 31, 2021 actuarial valuation.

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 5 - Wisconsin Retirement System - Continued

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations. New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.5%.

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

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This 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 purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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 6.8 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 5 - Wisconsin Retirement System - Continued

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 13,815,253	\$ 4,162,515	\$ (2,477,740)

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

Payables to the Pension Plan - The District reported a payable of \$68,098 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

NOTE 6 - Supplemental Pension Defined Benefit Plan

General Information about the Supplemental Pension Plan

Plan Description - The supplemental pension is a single employer defined benefit pension plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Teachers under tier 1 (at least age 45 with at least 1 year of service as of July 1, 2021), at least age 55 with 13 years of service will receive \$40,000 paid out in 60 monthly installments to a 403(b) account. Teachers under tier 2 (not eligible for tier 1 and eligible to retire by June 30, 2036), at least age 55 with 15 years of service will receive \$25,000 paid out in 60 monthly installments to a 403(b) account. Teachers under tier 3 (not eligible for tier 1 or 2 and new hires), at least age 55 with 15 years of service will receive \$15,000 paid out in 36 monthly installments to a 403(b) account.

Support staff under tier 1 (those hired prior to July 1, 2021), at least age 55 with 15 years of service and WRS eligible will receive \$350 paid out each year of service to a 403(b) account, 60 days following retirement or the January following retirement if the maximum IRS contribution amounts were met in the calendar year of retirement.

Employees Covered - As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>178</u>
Total	<u>202</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2023, contribution rates for plan members were \$0 per participant per month and \$320 - \$963 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$0 and the District contributed \$173,289 to the plan.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 6 - Supplemental Pension Defined Benefit Plan - Continued

Actuarial Assumptions - The net supplemental pension liability (assets) in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2021
Measurement Date of Net Pension Liability (Asset):	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	1.3%
Discount Rate:	3%
Salary Increases:	3%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017.

The OPEB liability for June 30, 2023 is based upon an update of the liability calculated from the June 30, 2021 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments was determined by expected future real rates of return (expected returns, net of plan investment expense and inflation) developed for each major asset class.

Asset Class	Long-Term Real Rate of Return	Target Allocation
Fixed Income	1.3%	100%

Discount Rate - A discount rate of 3% was used to measure the total supplemental pension liability (asset). This discount rate was based on the expected rate of return on pension plan investments of 1.3% a 20 year AA municipal bond rate. The projection of cash flows used to determine the discount rate assumed the 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 of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total supplemental pension liability (asset).

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 6 - Supplemental Pension Defined Benefit Plan - Continued

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 1,463,968	\$ 3,101,099	\$ (1,637,131)
Changes for the year:			
Service cost	79,819	-	79,819
Interest	41,733	-	41,733
Differences between expected and actual experience	38,535	-	38,535
Net investment income	-	89,815	(89,815)
Benefit payments	(225,527)	(225,527)	-
Net changes	(65,440)	(135,712)	70,272
Ending balance	\$ 1,398,528	\$ 2,965,387	\$ (1,566,859)

Sensitivity of the Net Supplemental Pension Liability (Asset) to Changes in the Discount Rate -

The following presents the net supplemental pension liability (asset) calculated using the discount rate of 3 percent, as well as what the net supplemental pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2 percent) or 1-percentage-point higher (4 percent) than the current rate:

	1% Decrease to Discount Rate (2%)	Current Discount Rate (3%)	1% Increase to Discount Rate (4%)
Net supplemental pension liability (asset)	\$ (1,502,437)	\$ (1,566,859)	\$ (1,629,761)

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

For the year ended June 30, 2023, the District recognized pension expense (revenue) of \$3,105.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 139,824	\$ 391,758
Net differences between projected and actual earnings on pension plan investments	15,018	-
Changes of assumptions or other input	189,825	283,274
Employer contributions subsequent to the measurement date	-	-
Total	\$ 344,667	\$ 675,032

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 6 - Supplemental Pension Defined Benefit Plan - Continued

Zero reported as deferred outflows related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2024	\$ (28,799)
2025	(29,146)
2026	(29,340)
2027	(34,145)
2028	(34,112)
Thereafter	\$ (174,823)

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the supplemental pension plan required for the year ended June 30, 2023.

NOTE 7 - Interfund Balance and Activity

Interfund receivable and payable balances on June 30, 2023, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Employee benefit trust	\$ 54,943
General	Long-term capital improvement trust	42,590
Long-term capital improvement trust	General	42,769
		<u>\$ 140,302</u>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Interfund transfers at June 30, 2023 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Long-term capital improvement trust	\$ 993,555
General	Non-referendum debt service	1,492
		<u>\$ 995,047</u>

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 8 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other Than Pensions

Plan Description - The other post-employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Teachers under tier 1 (at least age 45 with at least 1 year of service as of July 1, 2021), at least age 55 with 13 years of service will receive \$6,500 contributions per year, towards health premiums for 5 years, to a HRA account. This includes premiums on the District's health plan until COBRA exhaustion or an outside health plan. Teachers under tier 2 (not eligible for tier 1 and eligible to retire by June 30, 2036), at least age 55 with 15 years of service will receive \$1,300 contributions per year of service, towards health premiums up to a maximum of \$32,000, to a HRA account. This includes premiums on the District's health plan until COBRA exhaustion or an outside health plan. Teachers under tier 3 (not eligible for tier 1 or 2 and new hires), at least age 55 with 15 years of service will not receive contributions. Teachers under tiers 1 and 2, as a retiree, may choose to remain on the District's \$175,000 one year term life insurance, provided the retiree pays 100% of the required premiums until Medicare eligibility. Teachers under tier 3, as a retiree, may choose to remain on the District's \$130,000 one year term life insurance, provided the retiree pays 100% of the required premiums until Medicare eligibility.

Support staff under tier 1 (those hired prior to July 1, 2021), at least age 55 with 15 years of service and WRS eligible will receive \$410 contributions per year of service, towards health premiums up to a maximum of \$16,400, to a HRA account. These funds may be used to reimburse premiums on the District's health plan for the COBRA continuation period or an outside health plan.

Administrators at least age 55 with 5 years of service upon retirement, will receive a \$4,000/year for 5 years contribution towards a premium only HRA. The retiree may choose to remain on the District's \$130,000 one year term life insurance, provided the retiree pays 100% of the required premiums until Medicare eligibility. The District shall provide retiring administrators with HRA contributions in an amount based on years of service as of June 30, 2023: 5 years \$10,500, 10 years \$42,000, and 15 years \$57,750. This benefit shall be paid in 60 monthly payments over a 5-year period. These funds may be used towards premiums to remain on the District's health plan or with an outside provider.

Employees Covered - As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>278</u>
Total	<u>307</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2023, contribution rates for plan members were \$766 - \$1,430 per participant per month and \$150 - \$400 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$121,010 and the District contributed \$0 to the plan.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Actuarial Assumptions - The net OPEB healthcare liability (asset) in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	1.3%
Discount Rate:	3%
Salary Increases:	3%
Mortality:	Wisconsin 2018 Mortality Table
Medical Care Cost Trend:	6.5% decreasing by .1% per year to 5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2021.

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015 - 2017.

The OPEB liability for June 30, 2023 is based upon an update of the liability calculated from the July 1, 2021 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments was determined by expected future real rates of return (expected returns, net of plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
Fixed Income	1.3%	100%

Discount Rate - A discount rate of 3% was used to measure the total OPEB healthcare liability (asset). This discount rate was based on the expected rate of return on plan investments of 1.3%, a 20 year AA municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability (asset).

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Healthcare Liability (Asset)

	Increase (Decrease)		
	Total OPEB Healthcare Liability	Fiduciary Net Position	Net OPEB Healthcare Liability
	(a)	(b)	(a) - (b)
Beginning balance	\$ 2,058,735	\$ 2,058,388	\$ 347
Changes for the year:			
Service cost	128,506	-	128,506
Interest	60,793	-	60,793
Changes of benefit terms	(331,383)	-	(331,383)
Differences between expected and actual experience	(27,985)	-	(27,985)
Changes of assumptions or other input	-	-	-
Net investment income	-	59,622	(59,622)
Benefit payments	(193,096)	(193,096)	-
Other changes	-	189	(189)
Net changes	(363,165)	(133,285)	(229,880)
Ending balance	\$ 1,695,570	\$ 1,925,103	\$ (229,533)

Sensitivity of the Net OPEB Healthcare Liability (Asset) to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB healthcare liability (asset) calculated using the healthcare cost trend rate of 6.5 percent decreasing to 5 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.5 percent decreasing to 4 percent) or 1-percentage-point higher (7.5 percent decreasing to 6 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (5.5% decreasing to 4%)	Current Healthcare Cost Rate (6.5% decreasing to 5%)	1% Increase to Healthcare Cost Rate (7.5% decreasing to 6%)
Net OPEB healthcare liability (asset)	\$ (248,943)	\$ (229,533)	\$ (208,736)

Sensitivity of the Net OPEB Healthcare Liability (Asset) to Changes in the Discount Rate - The following presents the net OPEB healthcare liability (asset) calculated using the discount rate of 3 percent, as well as what the net OPEB healthcare liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2 percent) or 1-percentage-point higher (4 percent) than the current rate:

	1% Decrease to Discount Rate (2%)	Current Discount Rate (3%)	1% Increase to Discount Rate (4%)
Net OPEB healthcare liability (asset)	\$ (157,952)	\$ (229,533)	\$ (299,927)

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Healthcare

For the year ended June 30, 2023, the District recognized OPEB healthcare expense (revenue) of \$(511,469).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232	\$ 921,111
Net differences between projected and actual earnings on pension plan investments	30,030	-
Changes of assumptions or other input	139,726	1,781,615
Employer contributions subsequent to the measurement date	-	-
Total	\$ 169,988	\$ 2,702,726

Zero reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2024	\$ (305,205)
2025	(309,909)
2026	(313,843)
2027	(319,869)
2028	(319,592)
Thereafter	(964,320)

Payables to the OPEB Healthcare Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2023.

NOTE 9 - Fund Balance and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General	Prepays	\$ 14,234
Food service	Inventory	\$ 5,638

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 9 - Fund Balance and Net Position - Continued

Restricted		
General	Self-funded dental	\$ 174,931
General	Common school fund	\$ 8,407
Special revenue trust	Donor specific expenses	\$ 544,743
Non-referendum debt service	Principal and interest	\$ 600,798
Referendum debt service	Principal and interest	\$ 1,473,730
Long-term capital improvement trust	DPI regulation	\$ 179
Food service	Food service program	\$ 464,022
Assigned		
General	Specific expenses	\$ 150,000
Community service	Community service projects	\$ 421,159

Governmental Activities

Restricted		
Special revenue	Donor specific expenses, food service program, and community service projects	\$ 1,208,570
Debt service	Principal and interest	\$ 2,074,528
Capital projects	DPI regulation	\$ 179
Other activities	Self-funded dental	\$ 174,931
Other activities	Common school fund	\$ 8,407
Other activities	OPEB supplemental pension	\$ 1,566,859
Other activities	OPEB healthcare	\$ 229,533

NOTE 10 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District manages these risks through the purchase of commercial insurance, except for self-insured dental benefits. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 11 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency #9 for services to be provided to the District in 2023-2024. Expected costs are \$118,999.

The District has a transportation agreement with estimated costs for the following school year:

2023-2024	\$ 1,299,745
2024-2025	1,332,239
2025-2026	<u>1,365,545</u>
	<u>\$ 3,997,529</u>

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2023

NOTE 11 - Commitments and Contingencies - Continued

On June 30, 2022, the District had entered into an estimated \$4,265,690 construction contract for a middle school cafeteria and remodel of special education classrooms and areas. There is approximately \$630,823 remaining to be completed on this contract.

The District is aware some older buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling, or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and have not recorded a liability.

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

NOTE 12 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

NOTE 13 - Self-Funded Insurance

The District established a self-funded dental benefit plan for its employees. The plan administrators are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for an administrative fee. The plan reports on a fiscal year ending June 30, 2023.

Accounting and budgeting requirements for the plan are established by the Wisconsin Department of Public Instruction. Currently, the plan is accounted for in the General Fund and other funds of the District.

The District has no stop-loss coverage for dental care coverage of the plan.

The District has reported a liability of \$47,776, which represents reported and unreported claims which were incurred on or before June 30, 2023, but were not paid by the District as of that date. Changes in the claims liability for the years ended June 30, 2023 and June 30, 2022 are as follows:

	<u>Year Ended</u> <u>June 30, 2023</u>	<u>Year Ended</u> <u>June 30, 2022</u>
Beginning liability balance	\$ 25,011	\$ 26,611
Claims	258,400	238,280
Claim payments and changes in estimates	<u>(235,635)</u>	<u>(239,880)</u>
Ending liability balance	<u>\$ 47,776</u>	<u>\$ 25,011</u>

Claim payments are principally funded through charges to employees, which are paid through payroll deductions, and employer contributions to the dental plan.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2023

NOTE 13 - Self-Funded Insurance - Continued

The District did not receive an actuarial certification for the self-insured dental plan related to the adequacy of reserves, rates, or financial soundness of the plan.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

MOSINEE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH
	GENERAL	SPECIAL		GENERAL	SPECIAL		GENERAL	SPECIAL		FINAL BUDGET POSITIVE (NEGATIVE)
		EDUCATION	TOTAL		EDUCATION	TOTAL		EDUCATION	TOTAL	
REVENUES										
Property taxes	\$ 6,725,451	\$ -	\$ 6,725,451	\$ 6,725,451	\$ -	\$ 6,725,451	\$ 6,729,263	\$ -	\$ 6,729,263	\$ 3,812
Other local sources	378,523	-	378,523	378,523	-	378,523	443,209	-	443,209	64,686
Interdistrict sources	1,772,975	9,624	1,782,599	1,772,975	9,624	1,782,599	1,631,475	20,637	1,652,112	(130,487)
Intermediate sources	9,060	8,842	17,902	9,060	8,842	17,902	76,937	2,636	79,573	61,671
State sources	16,060,842	1,257,209	17,318,051	16,060,842	1,257,209	17,318,051	16,054,130	1,300,902	17,355,032	36,981
Federal sources	1,091,651	1,113,017	2,204,668	1,091,651	1,113,017	2,204,668	925,996	842,301	1,768,297	(436,371)
Other sources	24,676	-	24,676	24,676	-	24,676	98,278	6,890	105,168	80,492
TOTAL REVENUES	26,063,178	2,388,692	28,451,870	26,063,178	2,388,692	28,451,870	25,959,288	2,173,366	28,132,654	(319,216)
EXPENDITURES										
Current										
Instruction										
Regular instruction	9,427,588	78,307	9,505,895	9,023,088	78,307	9,101,395	8,768,055	80,078	8,848,133	253,262
Vocational instruction	710,802	-	710,802	710,802	-	710,802	654,700	-	654,700	56,102
Special instruction	-	4,470,204	4,470,204	-	4,470,204	4,470,204	-	3,707,161	3,707,161	763,043
Other instruction	1,154,346	-	1,154,346	1,249,346	-	1,249,346	1,347,973	-	1,347,973	(89,627)
Total instruction	11,292,736	4,548,511	15,841,247	10,983,236	4,548,511	15,531,747	10,770,728	3,787,239	14,557,967	973,780
Support services										
Pupil services	973,270	496,225	1,469,495	1,037,770	496,225	1,533,995	975,563	583,593	1,559,156	(25,161)
Instructional staff services	1,220,816	136,827	1,357,643	1,218,816	136,827	1,355,643	942,532	193,603	1,136,135	219,508
General administration services	753,556	-	753,556	738,092	-	738,092	810,046	-	810,046	(71,954)
Building administration services	1,184,759	-	1,184,759	1,251,222	-	1,251,222	1,232,136	-	1,232,136	19,086
Business services	4,292,000	5,500	4,297,500	4,192,000	5,500	4,197,500	4,396,576	203,958	4,600,534	(403,034)
Central services	68,000	9,250	77,250	188,000	9,250	197,250	203,257	2,951	206,208	(8,958)
Insurance	160,000	-	160,000	175,000	-	175,000	178,480	-	178,480	(3,480)
Other support services	530,000	13,210	543,210	700,000	13,210	713,210	742,813	11,251	754,064	(40,854)
Total support services	9,182,401	661,012	9,843,413	9,500,900	661,012	10,161,912	9,481,403	995,356	10,476,759	(314,847)
Non-program transactions	2,267,711	-	2,267,711	1,967,711	-	1,967,711	2,247,870	3,960	2,251,830	(284,119)
Capital outlay	152,000	-	152,000	168,001	-	168,001	391,999	30,000	421,999	(253,998)
TOTAL EXPENDITURES	22,894,848	5,209,523	28,104,371	22,619,848	5,209,523	27,829,371	22,892,000	4,816,555	27,708,555	120,816
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,168,330	(2,820,831)	347,499	3,443,330	(2,820,831)	622,499	3,067,288	(2,643,189)	424,099	(198,400)
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(3,771,617)	2,820,831	(950,786)	(4,046,617)	2,820,831	(1,225,786)	(3,638,236)	2,643,189	(995,047)	230,739
Long term debt proceeds	-	-	-	-	-	-	44,765	-	44,765	44,765
TOTAL OTHER FINANCING SOURCES (USES)	(3,771,617)	2,820,831	(950,786)	(4,046,617)	2,820,831	(1,225,786)	(3,593,471)	2,643,189	(950,282)	275,504
NET CHANGE IN FUND BALANCE	(603,287)	-	(603,287)	(603,287)	-	(603,287)	(526,183)	-	(526,183)	77,104
FUND BALANCE - BEGINNING OF YEAR	8,615,348	-	8,615,348	8,615,348	-	8,615,348	8,615,348	-	8,615,348	-
FUND BALANCE - END OF YEAR	\$ 8,012,061	\$ -	\$ 8,012,061	\$ 8,012,061	\$ -	\$ 8,012,061	\$ 8,089,165	\$ -	\$ 8,089,165	\$ 77,104

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2023

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	Other instruction	\$ 98,627
General/Special Education	Pupil services	25,161
General/Special Education	General administration services	71,954
General/Special Education	Business services	403,034
General/Special Education	Central services	8,958
General/Special Education	Insurance	3,480
General/Special Education	Other support services	40,854
General/Special Education	Non-program transactions	284,119
General/Special Education	Capital outlay	253,998

MOSINEE SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years *

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2022	0.07857207%	\$ 4,162,515	\$13,751,826	30.27%	95.72%
2021	0.08067167%	(6,502,285)	13,752,389	-47.28%	106.02%
2020	0.08222149%	(5,133,201)	13,391,915	-38.33%	105.26%
2019	0.08406072%	(2,710,501)	13,167,812	-20.58%	102.96%
2018	0.08510138%	3,027,640	12,975,554	23.33%	96.45%
2017	0.08624232%	(2,560,636)	12,711,804	-20.14%	102.93%
2016	0.08549154%	704,654	12,335,333	5.71%	99.12%
2015	0.08499535%	1,381,158	12,475,777	11.07%	98.20%
2014	0.08414164%	(2,066,749)	11,666,854	-17.71%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 926,798	\$ (926,798)	\$ -	\$ 13,922,404	6.66%
2022	903,594	(903,594)	-	13,752,389	6.57%
2021	903,955	(903,955)	-	13,391,915	6.75%
2020	862,498	(862,498)	-	13,167,812	6.55%
2019	869,363	(869,363)	-	12,975,554	6.70%
2018	864,401	(864,401)	-	12,711,804	6.80%
2017	814,135	(814,135)	-	12,335,333	6.60%
2016	848,355	(848,355)	-	12,475,777	6.80%
2015	816,680	(816,680)	-	11,666,854	7.00%

* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2023

Changes to benefit terms - there were no changes of benefit terms for any participating employer in Wisconsin Retirement System.

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:

- * Lower the long-term expected rate of return from 7% to 6.8%
- * Lowering the discount rate from 7% 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-end December 31, 2018, including the following:

- * Lowering the long-term expected rate of return from 7.2% to 7%
- * Lowering the discount rate from 7.2% to 7%
- * Lowering the wage inflation rate from 3.2% to 3%
- * 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.

MOSINEE SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2023

Notes to Required Supplementary Information for the Year Ended June 30, 2023 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
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.

MOSINEE SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2023

Notes to Required Supplementary Information for the Year Ended June 30, 2023 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
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 2009 valuation pursuant to an experience study of the period 2006-2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational 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.

MOSINEE SCHOOL DISTRICT
SUPPLEMENTAL PENSION DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2023

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (Asset)									
Service cost	\$ 79,819	\$ 137,133	\$ 134,115	\$ 169,734	\$ 165,918	\$ 153,167	\$ 128,979	\$ -	\$ -
Interest	41,733	43,815	44,347	59,695	77,004	105,310	95,533	-	-
Change in accounting principle	-	(351,879)	-	(305,515)	-	-	-	-	-
Differences between expected and actual experience	38,535	(39,721)	-	(122,730)	(52,959)	(359,205)	219,190	-	-
Changes of assumptions or other inputs	-	(97,606)	-	(212,003)	97,838	277,483	(115,711)	-	-
Benefit payments, including refunds of employee contributions	(225,527)	(213,039)	(194,266)	(197,399)	(158,811)	(140,999)	(285,604)	-	-
Other changes	-	-	-	-	-	-	-	43,561	(107,210)
Net Changes in Total Pension Liability (Asset)	(65,440)	(521,297)	(15,804)	(608,218)	128,990	35,756	42,387	43,561	(107,210)
Total Pension Liability (Asset) - Beginning	1,463,968	1,985,265	2,001,069	2,609,287	2,480,297	2,444,541	2,402,154	2,358,593	2,465,803
Total Pension Liability (Asset) - Ending (a)	\$ 1,398,528	\$ 1,463,968	\$ 1,985,265	\$ 2,001,069	\$ 2,609,287	\$ 2,480,297	\$ 2,444,541	\$ 2,402,154	\$ 2,358,593
Plan Fiduciary Net Position									
Contributions - employer	\$ -	\$ 152,000	\$ 194,266	\$ 349,399	\$ 158,811	\$ 140,999	\$ 285,604	\$ 263,776	\$ 287,088
Net investment income	89,815	(21,236)	2,454	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(225,527)	(213,039)	(194,266)	(197,399)	(158,811)	(140,999)	(285,604)	(263,776)	(287,088)
Other changes	-	3,028,920	-	-	-	-	-	-	-
Net Changes in Plan Fiduciary Net Position	(135,712)	2,946,645	2,454	152,000	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,101,099	154,454	152,000	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 2,965,387	\$ 3,101,099	\$ 154,454	\$ 152,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (1,566,859)	\$ (1,637,131)	\$ 1,830,811	\$ 1,849,069	\$ 2,609,287	\$ 2,480,297	\$ 2,444,541	\$ 2,402,154	\$ 2,358,593
Plan fiduciary net position as a percentage of the total pension liability (asset)	212.04%	211.83%	7.78%	7.60%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 9,781,305	\$ 9,781,305	\$ 8,507,275	\$ 8,507,275	\$ 9,723,669	\$ 7,423,570	\$ 7,763,072	\$ 9,607,818	\$ 9,190,795
Net pension liability as a percentage of covered payroll	-16.02%	-16.74%	21.52%	21.74%	26.83%	33.41%	31.49%	25.00%	25.66%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ -	\$ -	\$ 362,233	\$ 362,233	\$ 236,690	\$ 264,493	\$ 264,930	\$ 263,776	\$ 263,776
Contributions in relation to the actuarially determined contributions	-	(152,000)	(194,266)	(349,399)	(158,811)	(140,999)	(285,604)	(263,776)	(287,088)
Contribution deficiency (excess)	\$ -	\$ (152,000)	\$ 167,967	\$ 12,834	\$ 77,879	\$ 123,494	\$ (20,674)	\$ -	\$ (23,312)
Covered payroll	\$ 9,781,305	\$ 9,781,305	\$ 8,507,275	\$ 8,507,275	\$ 9,723,669	\$ 7,423,570	\$ 7,763,072	\$ 9,607,818	\$ 9,190,795
Contributions as a percentage of covered payroll	0.00%	1.55%	2.28%	4.11%	1.63%	1.90%	3.68%	2.75%	3.12%
Actuarial valuation date	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2018	6/30/2018	6/30/2016	6/30/2014	6/30/2014
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2016	6/30/2014	6/30/2014

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2023

Methods and assumptions used to determine actuarial calculations - entry age normal - level %, fair value asset valuation, 3% discount rate, 2.5% inflation, 3% salary increases, and Wisconsin 2018 Mortality Table.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - there were no changes in the assumptions.

MOSINEE SCHOOL DISTRICT
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability (Asset)						
Service cost	\$ 128,506	\$ 248,608	\$ 243,137	\$ 514,718	\$ 503,146	\$ 474,263
Interest	60,793	70,241	67,575	116,522	137,270	124,423
Change in accounting principle	-	-	-	305,515	-	-
Changes of benefit terms	(331,383)	(6,525)	-	-	-	-
Differences between expected and actual experience	(27,985)	(857,306)	-	(281,749)	396	(3,607)
Changes of assumptions or other input	-	(277,841)	-	(2,435,840)	238,122	-
Benefit payments	(193,096)	(231,915)	(158,052)	(134,335)	(150,935)	(240,532)
Net Changes in Total OPEB Healthcare Liability (Asset)	(363,165)	(1,054,738)	152,660	(1,915,169)	727,999	354,547
Total OPEB Healthcare Liability (Asset) - Beginning	2,058,735	3,113,473	2,960,813	4,875,982	4,147,983	3,793,436
Total OPEB Healthcare Liability (Asset) - Ending (a)	\$ 1,695,570	\$ 2,058,735	\$ 3,113,473	\$ 2,960,813	\$ 4,875,982	\$ 4,147,983
Plan Fiduciary Net Position						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 510,652	\$ 726,083
Net investment income	59,622	78,126	90,916	90,781	43,102	54,239
Benefit payments	(193,096)	(231,915)	(158,052)	(134,335)	(250,000)	(240,532)
Other changes	189	(2,714,514)	-	-	-	140,999
Net Changes in Plan Fiduciary Net Position	(133,285)	(2,868,303)	(67,136)	(43,554)	303,754	680,789
Plan Fiduciary Net Position - Beginning	2,058,388	4,926,691	4,993,827	5,037,381	4,733,627	4,052,838
Plan Fiduciary Net Position - Ending (b)	\$ 1,925,103	\$ 2,058,388	\$ 4,926,691	\$ 4,993,827	\$ 5,037,381	\$ 4,733,627
Net OPEB Healthcare Liability (Asset) - Ending (a) - (b)	\$ (229,533)	\$ 347	\$ (1,813,218)	\$ (2,033,014)	\$ (161,399)	\$ (585,644)
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability (Asset)	113.54%	99.98%	158.24%	168.66%	103.31%	114.12%
Covered payroll	\$ 12,810,310	\$ 12,810,310	\$ 12,863,941	\$ 12,863,941	\$ 9,723,670	\$ 10,192,191
Net OPEB Healthcare Liability (Asset) as a percentage of covered payroll	-1.79%	0.00%	-14.10%	-15.80%	-1.66%	-5.75%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 121,731	\$ 121,731	\$ 141,479	\$ 141,479	\$ 593,462	\$ 593,462
Contributions in relation to the actuarially determined contributions	-	-	-	-	(150,935)	(726,083)
Contribution deficiency (excess)	<u>\$ 121,731</u>	<u>\$ 121,731</u>	<u>\$ 141,479</u>	<u>\$ 141,479</u>	<u>\$ 442,527</u>	<u>\$ (132,621)</u>
Covered payroll	\$ 12,810,310	\$ 12,810,310	\$ 12,863,941	\$ 12,863,941	\$ 9,723,670	\$ 10,192,191
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	1.55%	7.12%
Actuarial valuation date	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2018	6/30/2018
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2023

Methods and assumptions used to determine actuarial calculations - entry age normal - level %, fair value asset valuation, 3% discount rate, 2.5% inflation, 3% salary increases, and Wisconsin 2018 Mortality Table.

Changes of benefit terms - administrator benefits now vary by individuals' eligibility to retire by date. In addition, all future retirees are now only allowed to remain on the Districts group health plan for the duration of COBRA.

Changes of assumptions - there were no changes in the assumptions.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

SUPPLEMENTARY INFORMATION

MOSINEE SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM	
ASSETS					
Cash and investments	\$ 545,588	\$ 524,605	\$ 424,356	\$ 600,798	\$ 2,095,347
Due from other governments	-	7,465	-	-	7,465
Inventories	-	5,638	-	-	5,638
TOTAL ASSETS	545,588	537,708	424,356	600,798	2,108,450
LIABILITIES					
Accounts payable	845	901	1,997	-	3,743
Accrued payroll liabilities	-	-	1,200	-	1,200
Deposits payable	-	26	-	-	26
Unearned revenue	-	67,121	-	-	67,121
TOTAL LIABILITIES	845	68,048	3,197	-	72,090
FUND BALANCES					
Nonspendable	-	5,638	-	-	5,638
Restricted	544,743	464,022	-	600,798	1,609,563
Assigned	-	-	421,159	-	421,159
TOTAL FUND BALANCES	544,743	469,660	421,159	600,798	2,036,360
TOTAL LIABILITIES AND FUND BALANCES	\$ 545,588	\$ 537,708	\$ 424,356	\$ 600,798	\$ 2,108,450

MOSINEE SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	TOTAL
	TRUST	FOOD	COMMUNITY	NON-REFERENDUM	NONMAJOR GOVERNMENTAL FUNDS
		SERVICE	SERVICE		
REVENUES					
Property taxes	\$ -	\$ -	\$ 600,000	\$ 945,904	\$ 1,545,904
Other local sources	533,197	376,600	28,550	30,704	969,051
State sources	-	10,449	-	-	10,449
Federal sources	-	507,770	-	-	507,770
Other sources	150	4,725	-	-	4,875
TOTAL REVENUES	533,347	899,544	628,550	976,608	3,038,049
EXPENDITURES					
Current					
Instruction					
Regular instruction	38,390	-	-	-	38,390
Other instruction	377,102	-	-	-	377,102
Total instruction	415,492	-	-	-	415,492
Support service					
Pupil services	7,108	-	-	-	7,108
Building administration services	23,035	-	-	-	23,035
Business services	4,114	877,440	176,314	-	1,057,868
Other support services	-	-	28,380	-	28,380
Community services	-	-	224,051	-	224,051
Total support services	34,257	877,440	428,745	-	1,340,442
Non-program transactions	67,330	396	-	-	67,726
Debt service					
Principal	-	-	-	716,492	716,492
Interest	-	-	-	544,090	544,090
Other	-	-	-	400	400
Total debt service	-	-	-	1,260,982	1,260,982
Capital outlay	10,000	98,917	-	-	108,917
TOTAL EXPENDITURES	527,079	976,753	428,745	1,260,982	3,193,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,268	(77,209)	199,805	(284,374)	(155,510)
OTHER FINANCING SOURCES					
Net transfer (to) from other funds	-	-	-	1,492	1,492
TOTAL OTHER FINANCING SOURCES	-	-	-	1,492	1,492
NET CHANGE IN FUND BALANCE	6,268	(77,209)	199,805	(282,882)	(154,018)
FUND BALANCES - BEGINNING OF YEAR	538,475	546,869	221,354	883,680	2,190,378
FUND BALANCES - END OF YEAR	\$ 544,743	\$ 469,660	\$ 421,159	\$ 600,798	\$ 2,036,360

MOSINEE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2022	REVENUES		RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2023	SUBRECIPIENT PASS-THROUGH EXPENDITURES
					GRANTOR REIMBURSEMENTS	EXPENDITURES		
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
<u>Child Nutrition Cluster</u>								
COVID-19 - School Breakfast Program July 1, 2022 - June 30, 2023	2023-373787-DPI-SB-546	10.553	N/A	\$ -	\$ 45,213	\$ 46,053	\$ 840	\$ -
Food Distribution July 1, 2022 - June 30, 2023	None	10.555	N/A	-	76,005	76,005	-	-
COVID-19 - National School Lunch Program July 1, 2022 - June 30, 2023	2023-373787-DPI-NSL-547	10.555	N/A	-	379,088	385,712	6,624	-
Total Child Nutrition Cluster				-	500,306	507,770	7,464	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	500,306	507,770	7,464	-
FEDERAL COMMUNICATIONS COMMISSION								
Universal Service Administration Company								
Emergency Connectivity Fund Program July 1, 2022 - June 30, 2023	None	32.009	N/A	-	24,000	24,000	-	-
TOTAL FEDERAL COMMUNICATIONS COMMISSION				-	24,000	24,000	-	-
U.S. DEPARTMENT OF EDUCATION								
Wisconsin Department of Public Instruction								
<u>Special Education Cluster</u>								
Special Education - Grants to States (IDEA Part B) July 1, 2021 - June 30, 2022	2022-373787-DPI-FLOW-341	84.027A	N/A	88,019	88,019	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-FLOW-341		\$ 512,912	-	384,028	509,078	125,050	-
Special Education - Grants to States - CEIS July 1, 2021 - June 30, 2022	2022-373787-DPI-FLOW-341	84.027A	N/A	15,509	15,509	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-FLOW-341		67,486	-	35,975	54,783	18,808	-
Special Education - Preschool Grants (IDEA Preschool) (ARPA) July 1, 2021 - June 30, 2022	2022-373787-DPI-PRESCH-347	84.173X	N/A	5,293	5,293	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-PRESCH-347		34,357	-	11,015	34,187	23,172	-
Total Special Education Cluster				108,821	539,839	598,048	167,030	-
<u>Education Stabilization Fund</u>								
COVID-19 - Elementary and Secondary School Emergency Relief March 13, 2020 - September 30, 2023	2022-373787-DPI-ESSERFII-163	84.425D	N/A	615,478	615,478	-	-	-
March 13, 2020 - September 30, 2023	2023-373787-DPI-ESSERFII-163		490,829	-	104,275	152,262	47,987	-
COVID-19 - Elementary and Secondary School Emergency Relief March 13, 2020 - September 30, 2024	2022-373787-DPI-ESSERFIII-165	84.425U	N/A	657,877	657,877	-	-	-
March 13, 2020 - September 30, 2024	2023-373787-DPI-ESSERFIII-165		1,108,270	-	-	370,915	370,915	-
Total Education Stabilization Fund				1,273,355	1,377,630	523,177	418,902	-
Title I-A - Grants to Local Educational Agencies July 1, 2021 - June 30, 2022	2022-373787-DPI-TIA-141	84.010A	N/A	76,464	76,464	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-TI-A-141		181,982	-	127,794	158,649	30,855	-
Title II-A - Supporting Effective Instruction State Grants July 1, 2021 - June 30, 2022	2022-373787-DPI-TIIA-365	84.367A	N/A	16,640	16,640	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-TIIA-365		33,146	-	-	33,146	33,146	-
Title IV - Student Support and Academic Enrichment Grants July 1, 2021 - June 30, 2022	2022-373787-DPI-TIVA-381	84.424A	N/A	4,283	4,283	-	-	-
July 1, 2022 - June 30, 2023	2023-373787-DPI-TIVA-381		12,755	-	8,635	8,635	-	-
Cooperative Educational Service Agency #9 Career and Technical Education - Basic Grants to States (Perkins IV) July 1, 2021 - June 30, 2022	None	84.048	N/A	1,036	1,036	-	-	-
July 1, 2022 - June 30, 2023	None		N/A	-	10,149	10,149	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION				1,480,599	2,162,470	1,331,804	649,933	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Cooperative Educational Service Agency #9								
Public Health Emergency Response July 1, 2022 - June 30, 2023	None	93.354	N/A	-	10,698	10,698	-	-
Wisconsin Department of Health Services								
<u>Medicaid Cluster</u>								
Medical Assistance July 1, 2021 - June 30, 2022	None	93.778	N/A	24,084	24,084	-	-	-
July 1, 2022 - June 30, 2023	None		N/A	-	187,470	205,722	18,252	-
Total Medicaid Cluster				24,084	211,554	205,722	18,252	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				24,084	222,252	216,420	18,252	-
TOTAL FEDERAL AWARDS				\$ 1,504,683	\$ 2,909,028	\$ 2,079,994	\$ 675,649	\$ -

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH		RECEIVABLE			RECEIVABLE	
	ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	(UNEARNED REVENUE) JULY 1, 2022	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	(UNEARNED REVENUE) JUNE 30, 2023	SUBRECIPIENT PASS-THROUGH EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	373787-100	255.101	\$ -	\$ 1,282,788	\$ 1,282,788	\$ -	\$ -
State School Lunch Aid	373787-107	255.102	-	7,888	7,888	-	-
Common School Fund Library Aid	373787-104	255.103	-	104,590	104,590	-	-
General Transportation Aid	373787-102	255.107	-	92,420	92,420	-	-
General Aids Cluster							
Equalization Aid	373787-116	255.201	-	14,176,526	14,176,526	-	-
High Cost Special Education Aid	373787-119	255.210	-	22,866	22,866	-	-
School Based Mental Health Services	373787-177	255.297	14,754	85,541	77,769	6,982	-
School Breakfast Program	373787-108	255.344	-	2,561	2,561	-	-
Early College Credit Program	373787-178	255.445	-	1,732	1,732	-	-
Educator Effectiveness Evaluation System	373787-154	255.940	15,520	30,560	15,040	-	-
Per Pupil Aid	373787-113	255.945	-	1,456,546	1,456,546	-	-
Career and Technical Education Incentive	373787-152	255.950	33,757	72,556	38,799	-	-
Assessment of Reading Readiness	373787-166	255.956	-	3,470	3,470	-	-
Special Education Transition Incentive	373787-168	255.960	-	4,777	4,777	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			64,031	17,344,821	17,287,772	6,982	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Northcentral Technical College							
Youth Apprenticeship State Grant	None	445.107	2,200	61,737	56,090	(3,447)	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			2,200	61,737	56,090	(3,447)	-
WISCONSIN DEPARTMENT OF JUSTICE							
Security Updates and Mental Health Training	None	445.206	8,048	37,734	41,872	12,186	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES							
Payment in Lieu of Taxes	None	None	-	15,593	15,593	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Personal Property Aid	None	None	-	21,283	21,283	-	-
Exempt Computer Aid	None	None	8,491	8,491	8,491	8,491	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			8,491	29,774	29,774	8,491	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 82,770	\$ 17,489,659	\$ 17,431,101	\$ 24,212	\$ -

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1 - Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Mosinee School District. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents Program

2022-2023 eligible costs under the State Special Education Program are \$4,101,167.

NOTE 4 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Mosinee School District
Mosinee, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mosinee School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Mosinee School District's basic financial statements and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. We consider the 2023-001 and 2023-002 deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mosinee School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mosinee School District's Responses to Findings

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

Purpose of this Report

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
December 18, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES**

To the Board of Education
Mosinee School District
Mosinee, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and *State Single Audit Guidelines*, we:

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

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

Report on Internal Control Over Compliance

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

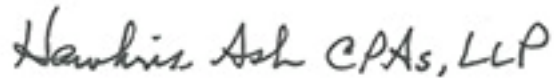
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
December 18, 2023

MOSINEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to the financial statements?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U	Education Stabilization Fund

State Assistance

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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MOSINEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2023

Section I - Summary of Auditors' Results - Continued

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.201	Equalization Aid

Dollar threshold used to distinguish between:

Type A and Type B federal programs:	\$750,000
Type A and Type B state programs:	\$250,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings and Questioned Costs

2023-001 - Preparation of Financial Statements

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2022-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

2023-002 - Significant Audit Adjustments

Program: District-Wide

Criteria: Generally accepted accounting principles.

MOSINEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2023

Section II - Financial Statement Findings and Questioned Costs - Continued

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that adjustments should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2022-002.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

Management's Response: The District will incorporate financial reporting internal controls to detect significant adjustments, prevent misstated financial statements and increase the accuracy of the interim financial reports used by management.

Section III - Federal and State Award Findings and Questioned Costs

None



Mission Statement: The Mission of the Mosinee School District is to improve student progress academically and socially, preparing them to be productive members of a multicultural society; promote partnerships with the community to create multiple opportunities for learning; and foster life-long learners who are self-motivated with the adaptability for future change.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN JUNE 30, 2023

Summary Schedule of Prior Audit Findings

2022-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/14.

2022-002 - Significant Audit Adjustments - Repeat. Initially occurred 6/30/17.

Corrective Action Plan

2023-001 - Preparation of Financial Statements - Contact: Michelle Brown, Business Manager. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2023-002 - Significant Audit Adjustments - Contact: Michelle Brown, Business Manager. Completion date: June 30, 2024. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments. District management will review and approve the audit adjustments.