

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2021

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MEMBERS OF THE BOARD OF EDUCATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Mosinee School District
Mosinee, Wisconsin

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility for the Financial Statements

Mosinee School District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mosinee School District, as of June 30, 2021, 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.

Other Matters

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 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, 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.

Other 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines*, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is 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 1, 2021, 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 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 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

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

Manitowoc, Wisconsin
December 1, 2021

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUPERINTENDENT
David E. Muñoz
BUSINESS MANAGER
Michelle L. Brown
HUMAN RESOURCES
Elise R. Krohn



DIRECTOR OF INSTRUCTION
Julie K. Schell
DIRECTOR OF BUILDINGS & GROUNDS
Steven L. Kaiser
DIRECTOR OF SPECIAL EDUCATION
& PUPIL SERVICES
Mary A. Zimmerman

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, 2021. 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 \$30,653,780; including \$10,624,019 of property taxes, \$14,763,083 of general state and federal aid. Total governmental activities expenditures were \$28,647,232; including \$13,536,794 for direct instruction.

The District's financial status, as reflected in total net position, increased by \$2,006,548.

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.
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 retired employees. 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, 2021 compared to 2020. The District's combined net position increased by \$2,006,548. Specific causes of the increase are discussed later in this document.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2021</u>	<u>2020</u>	<u>2020 - 2021</u>
Current and other assets	\$ 20,550	\$ 18,735	9.7%
Capital assets	<u>31,264</u>	<u>32,250</u>	-3.1%
Total assets	<u>51,814</u>	<u>50,985</u>	1.6%
Deferred outflows of resources	<u>8,614</u>	<u>6,448</u>	33.6%
Long-term liabilities			
outstanding	21,531	23,429	-8.1%
Other liabilities	<u>1,823</u>	<u>2,116</u>	-13.8%
Total liabilities	<u>23,353</u>	<u>25,545</u>	-8.6%
Deferred inflows of resources	<u>14,188</u>	<u>11,370</u>	24.8%
Net position:			
Net investment in capital assets	11,736	11,768	-0.3%
Restricted	10,477	7,961	31.6%
Unrestricted	<u>673</u>	<u>789</u>	-14.7%
Total net position	<u>\$ 22,887</u>	<u>\$ 20,518</u>	11.5%
Note: Totals may not add due to rounding.			

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

	Governmental Activities		Total % Change
	2021	2020	2020 - 2021
Revenues			
Program revenues			
Charges for services	\$ 81	\$ 259	-68.7%
Operating grants and contributions	2,682	1,970	36.1%
General revenues			
Property taxes	10,624	10,058	5.6%
State and federal aid	14,763	14,076	4.9%
Other	2,504	1,829	36.9%
Total revenues	<u>30,654</u>	<u>28,192</u>	8.7%
Expenses			
Instruction	13,537	13,626	-0.7%
Pupil and instructional services	2,693	2,538	6.1%
Administration and business	8,105	6,808	19.1%
Interest on debt	697	700	-0.4%
Other	3,616	3,753	-3.7%
Total expenses	<u>28,648</u>	<u>27,425</u>	4.5%
Increase in net position	<u>\$ 2,007</u>	<u>\$ 768</u>	161.3%

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 (48%) and property taxes (35%) to fund governmental activities. These two funding sources make up 83% 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)

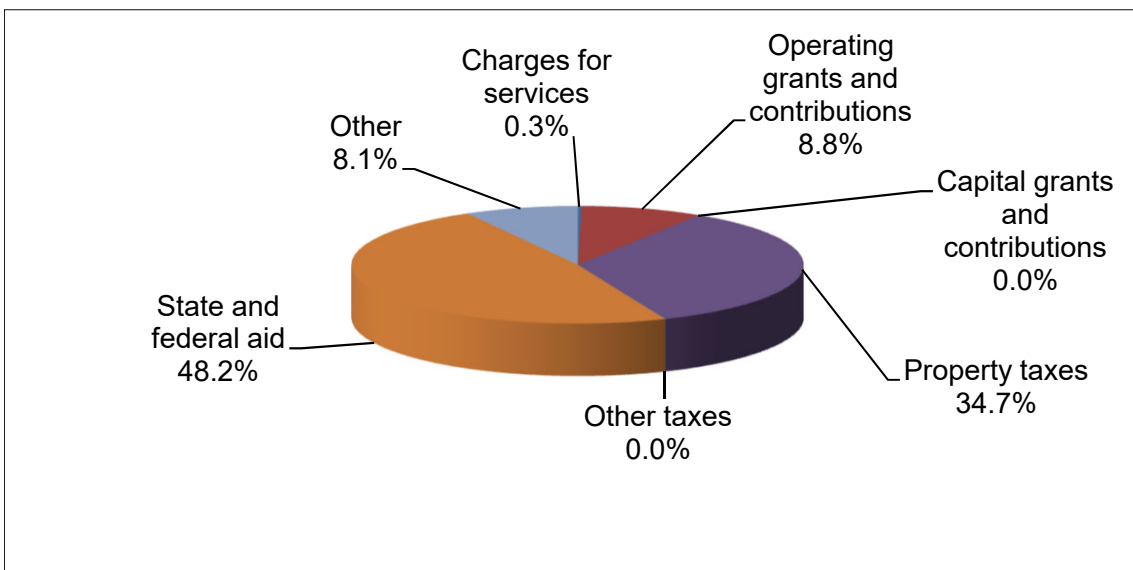
	Net Cost of Services		Total % Change
	2021	2020	2020 - 2021
Instruction	\$ 11,547	\$ 12,081	-4.4%
Pupil and instructional services	2,615	2,450	6.7%
Administration and business	7,422	6,224	19.2%
Interest on debt	697	700	-0.5%
Other	3,604	3,740	-3.6%
Total	\$ 25,884	\$ 25,195	2.7%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$28,647,232. Individuals who directly participated or benefited from a program offering paid for \$80,660 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$2,682,388. The net cost of governmental activities, \$25,884,184, was financed by general revenues of the District.

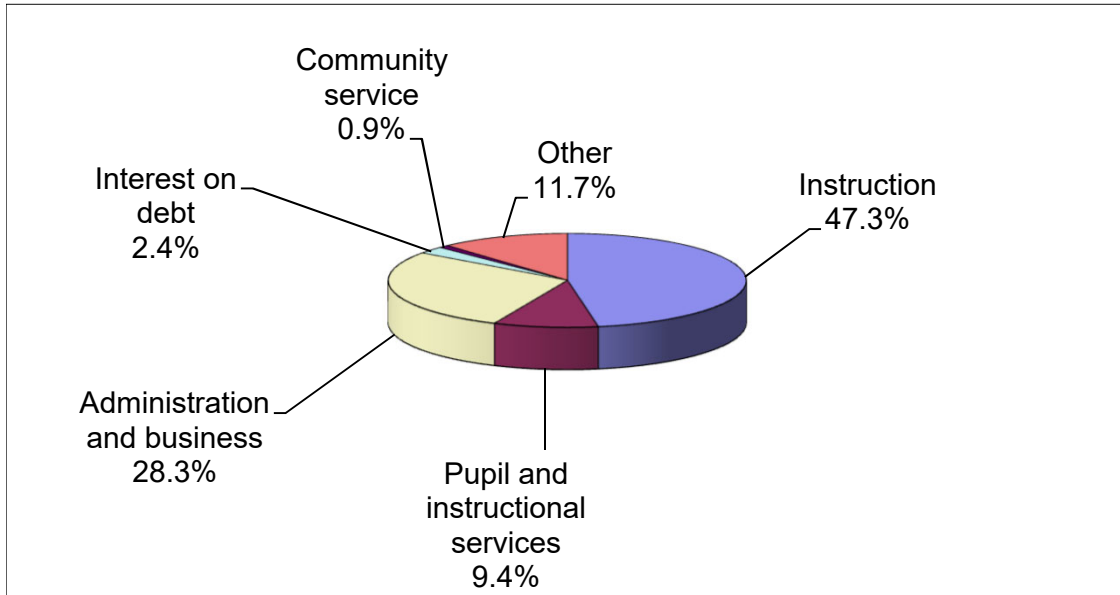
The composition of governmental revenues by type and expenditures by type are illustrated below.

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 \$11,921,121 down from last year's ending fund balance of \$12,031,084.

The general fund had a decrease in fund balance of \$470,499.

The other governmental funds had a decrease in fund balance of \$2,125.

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 not modify the original budget.

While the District's final budget for the general fund anticipated that expenses would exceed revenues by \$677,762 the actual results for the year show expenses exceeded revenues by \$470,499.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the District had invested \$54,988,762 in capital assets, including land, land improvements, buildings, equipment, and construction in progress (See Table 4). Total accumulated depreciation on these assets is \$23,724,561. Asset acquisitions for governmental activities totaled \$12,425,513. The District recognized depreciation expense of \$1,112,821 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

	Governmental Activities		Total % Change
	2021	2020	2020 - 2021
Land	\$ 382	\$ 382	0.0%
Land improvements	1,561	1,561	0.0%
Buildings	50,533	38,234	32.2%
Equipment	2,513	2,386	5.3%
Construction in progress	-	12,298	-100.0%
Accumulated depreciation	(23,725)	(22,612)	4.9%
Total	\$ 31,264	\$ 32,249	-3.1%

Note: Totals may not add due to rounding.

Long-Term Obligations

At year-end, the District had \$21,530,806 in bonds and other long-term debt outstanding - a decrease of 8% 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
	2021	2020	2020 - 2021
General obligation debt	\$ 18,695	\$ 20,495	-8.8%
Other	2,836	2,934	-3.3%
Total	<u>\$ 21,531</u>	<u>\$ 23,429</u>	-8.1%

Note: Totals may not add due to rounding.

The District retired \$1,800,000 of bonds during the year. Other transactions decreased total debt by \$98,647.

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 175 non-resident open enrollment students attended the Mosinee School District with 194 Mosinee School District students attending other schools through tuition and the open enrollment program. The number of outgoing students exceeded incoming students by 19. 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 2020 - 2021 school year by 49 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, 591 West 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, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments	\$ 9,900,378
Receivables	
Taxes	2,752,268
Interest	5,122
Due from other governments	871,055
Receivable from external parties	68,027
Inventories	6,504
Prepays	381
Wisconsin Retirement System net pension	5,133,201
OPEB healthcare	1,813,218
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	381,661
Capital assets being depreciated	30,882,540
TOTAL ASSETS	51,814,355
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	8,036,983
OPEB supplemental pension	372,918
OPEB healthcare	203,685
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,613,586
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	60,427,941
LIABILITIES	
Accounts payable	389,816
Self insurance claims payable	26,611
Accrued liabilities	
Payroll, payroll taxes, insurance	1,186,778
Interest	167,229
Deposits payable	104
Unearned revenue	52,178
Current portion of long-term obligations	1,732,069
Noncurrent portion of long-term obligations	19,798,737
TOTAL LIABILITIES	23,353,522
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	11,272,559
OPEB supplemental pension	689,123
OPEB healthcare	2,225,970
TOTAL DEFERRED INFLOWS OF RESOURCES	14,187,652
NET POSITION	
Net investment in capital assets	11,735,789
Restricted for	
Special revenue	782,912
Debt service	1,270,762
Capital projects	1,270,334
Other activities	7,153,102
Unrestricted	673,868
TOTAL NET POSITION	22,886,767
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 60,427,941

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

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	\$ 8,339,297	\$ -	\$ -	\$ (8,339,297)
Vocational instruction	562,365	-	-	(562,365)
Special instruction	3,152,939	-	1,971,610	(1,181,329)
Other instruction	1,482,193	18,555	-	(1,463,638)
Total instruction	<u>13,536,794</u>	<u>18,555</u>	<u>1,971,610</u>	<u>(11,546,629)</u>
Support services				
Pupil services	1,228,657	-	-	(1,228,657)
Instructional staff services	1,464,581	-	77,947	(1,386,634)
General administration services	598,802	-	-	(598,802)
Building administration services	2,182,488	-	-	(2,182,488)
Business services	5,323,653	50,151	632,831	(4,640,671)
Central services	25,731	-	-	(25,731)
Insurance	123,016	-	-	(123,016)
Interest and other	696,670	-	-	(696,670)
Other support services	721,853	-	-	(721,853)
Community services	262,383	11,954	-	(250,429)
Total support services	<u>12,627,834</u>	<u>62,105</u>	<u>710,778</u>	<u>(11,854,951)</u>
Non-program transactions	2,482,604	-	-	(2,482,604)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 28,647,232	\$ 80,660	\$ 2,682,388	(25,884,184)
General revenues				
Taxes				
Property taxes				10,624,019
Other taxes				10,088
State and federal aids not restricted to specific functions				14,763,083
Interest and investment earnings				73,544
Miscellaneous				2,419,998
Total general revenues				<u>27,890,732</u>
CHANGE IN NET POSITION				2,006,548
NET POSITION - BEGINNING OF YEAR				20,517,558
CHANGE IN ACCOUNTING PRINCIPLE				362,661
NET POSITION - END OF YEAR				<u>\$ 22,886,767</u>

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, 2021

	GENERAL FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	\$ 6,732,833	\$ 3,167,545	\$ 9,900,378
Receivables			
Taxes	2,752,268	-	2,752,268
Interest	-	5,122	5,122
Due from other funds	68,027	200,000	268,027
Due from other governments	862,310	8,745	871,055
Inventories	-	6,504	6,504
Prepays	381	-	381
TOTAL ASSETS	10,415,819	3,387,916	13,803,735
LIABILITIES			
Accounts payable	381,701	8,115	389,816
Self insurance claims payable	26,611	-	26,611
Accrued payroll liabilities	1,184,942	1,836	1,186,778
Due to other funds	200,000	-	200,000
Deposits payable	104	-	104
Unearned revenue	31,852	47,453	79,305
TOTAL LIABILITIES	1,825,210	57,404	1,882,614
FUND BALANCES			
Nonspendable	381	6,504	6,885
Restricted	206,683	3,324,008	3,530,691
Assigned	135,000	-	135,000
Unassigned	8,248,545	-	8,248,545
TOTAL FUND BALANCES	8,590,609	3,330,512	11,921,121
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,415,819	\$ 3,387,916	

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	\$ 54,988,762	
Governmental accumulated depreciation	<u>(23,724,561)</u>	31,264,201

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:

1,897,625

Other post employment benefits assets, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements:

(525,272)

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

27,127

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	\$ (18,695,000)	
Premium	(833,412)	
Accrued interest	(167,229)	
Vested employee benefits	(171,583)	
Net OPEB obligation	<u>(1,830,811)</u>	<u>(21,698,035)</u>

Total net position - governmental activities **\$ 22,886,767**

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	GENERAL FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property taxes	\$ 8,122,703	\$ 2,511,404	\$ 10,634,107
Other local sources	263,636	750,543	1,014,179
Interdistrict sources	1,532,333	-	1,532,333
Intermediate sources	40,143	-	40,143
State sources	15,493,512	10,360	15,503,872
Federal sources	1,351,421	542,904	1,894,325
Other sources	21,558	13,263	34,821
TOTAL REVENUES	<u>26,825,306</u>	<u>3,828,474</u>	<u>30,653,780</u>
EXPENDITURES			
Current			
Instruction			
Regular instruction	8,941,408	10,001	8,951,409
Vocational instruction	600,349	1,062	601,411
Special instruction	3,414,625	-	3,414,625
Other instruction	1,125,840	432,565	1,558,405
Total instruction	<u>14,082,222</u>	<u>443,628</u>	<u>14,525,850</u>
Support services			
Pupil services	1,334,822	338	1,335,160
Instructional staff services	1,493,681	-	1,493,681
General administration services	632,331	-	632,331
Building administration services	1,211,897	14,594	1,226,491
Business services	3,988,523	610,996	4,599,519
Central services	26,197	-	26,197
Insurance	179,184	-	179,184
Other support services	758,861	-	758,861
Community services	-	263,176	263,176
Total support services	<u>9,625,496</u>	<u>889,104</u>	<u>10,514,600</u>
Non-program transactions	<u>2,299,367</u>	<u>183,237</u>	<u>2,482,604</u>
Debt service			
Principal	-	1,250,000	1,250,000
Interest	-	731,278	731,278
Other	-	14,039	14,039
Total debt service	<u>-</u>	<u>1,995,317</u>	<u>1,995,317</u>
Capital outlay	<u>155,720</u>	<u>869,150</u>	<u>1,024,870</u>
TOTAL EXPENDITURES	<u>26,162,805</u>	<u>4,380,436</u>	<u>30,543,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>662,501</u>	<u>(551,962)</u>	<u>110,539</u>
OTHER FINANCING (USES) SOURCES			
Net transfer (to) from other funds	(1,133,000)	1,133,000	-
Payment to debt escrow agent	-	(583,163)	(583,163)
TOTAL OTHER FINANCING (USES) SOURCES	<u>(1,133,000)</u>	<u>549,837</u>	<u>(583,163)</u>
NET CHANGE IN FUND BALANCE	(470,499)	(2,125)	(472,624)
FUND BALANCE - BEGINNING OF YEAR	9,061,108	2,969,976	12,031,084
CHANGE IN ACCOUNTING PRINCIPLE	-	362,661	362,661
FUND BALANCE - END OF YEAR	<u>\$ 8,590,609</u>	<u>\$ 3,330,512</u>	<u>\$ 11,921,121</u>

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, 2021**

Net change in fund balances - total governmental funds \$ (472,624)

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	\$ 1,024,870	
Less noncapitalized outlay	(897,767)	
Depreciation expense reported in the statement of activities	<u>(1,112,821)</u>	
Amount by which capital outlays are less than depreciation in the current period:		(985,718)

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:	14,169
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Wisconsin Retirement System asset, deferred inflows of resources, liability, and deferred outflows of resources changes:	1,505,198
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OPEB supplemental pension deferred inflows of resources, liability, and deferred outflows of resources changes:	44,560
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OPEB healthcare deferred inflows of resources, liability, and deferred outflows of resources changes:	19,153
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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:	1,800,000
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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	\$ 778,480	
Amount of interest and other debt costs accrued during the current period is	<u>(696,670)</u>	
Interest paid is greater than interest accrued by:		<u>81,810</u>

Change in net position - governmental activities **\$ 2,006,548**

MOSINEE SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	CUSTODIAL FUND	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	SCHOLARSHIPS	EMPLOYEE BENEFIT
ASSETS		
Cash and investments	\$ -	\$ 5,463,684
TOTAL ASSETS	-	5,463,684
 LIABILITIES		
Due to other funds	-	68,027
TOTAL LIABILITIES	-	68,027
 NET POSITION		
Restricted for		
Postemployment benefits other than pensions	-	5,395,657
TOTAL LIABILITIES AND NET POSITION	\$ -	\$ 5,463,684

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	CUSTODIAL FUND <u>SCHOLARSHIPS</u>	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>
ADDITIONS		
Investment income	\$ -	\$ 93,477
Contributions	-	482,148
TOTAL ADDITIONS	-	575,625
DEDUCTIONS		
Disbursements	-	488,200
TOTAL DEDUCTIONS	-	488,200
CHANGE IN NET POSITION	-	87,425
NET POSITION - BEGINNING OF YEAR	159,101	5,308,232
CHANGE IN ACCOUNTING PRINCIPLE	(159,101)	-
NET POSITION - END OF YEAR	\$ -	\$ 5,395,657

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, 2021

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, 2021

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.

The District has one fiduciary fund which account 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 capital leases are reported as other financing sources.

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

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

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 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. 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.

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

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

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 fair market value at the time received.

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

	<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 - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 1 - Summary of Significant Accounting Policies - Continued

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, 2021

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, 2021, the District had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Employee Benefit Trust	Less than one year	\$ 5,239,197
Wisconsin Investment Series Cooperative	Less than one year	<u>6,948,549</u>
Total		<u>\$ 12,187,746</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 Employee Benefit Trust and Wisconsin Investment Series Cooperative is not rated.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

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, 2021, \$2,356,105 of the District's bank balance of \$3,457,201 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. There were no deposits that were uninsured and uncollateralized.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 381,661	\$ -	\$ -	\$ 381,661
Construction in progress	12,298,410	-	(12,298,410)	-
Total capital assets not being depreciated	<u>12,680,071</u>	<u>-</u>	<u>(12,298,410)</u>	<u>381,661</u>
Capital assets being depreciated:				
Land improvements	1,560,721	-	-	1,560,721
Buildings and improvements	38,234,480	12,298,410	-	50,532,890
Equipment	2,386,387	127,103	-	2,513,490
Total capital assets being depreciated	<u>42,181,588</u>	<u>12,425,513</u>	<u>-</u>	<u>54,607,101</u>
Less accumulated depreciation for:				
Land improvements	(746,057)	(59,441)	-	(805,498)
Buildings and improvements	(19,900,160)	(969,095)	-	(20,869,255)
Equipment	(1,965,523)	(84,285)	-	(2,049,808)
Total accumulated depreciation	<u>(22,611,740)</u>	<u>(1,112,821)</u>	<u>-</u>	<u>(23,724,561)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>19,569,848</u>	<u>11,312,692</u>	<u>-</u>	<u>30,882,540</u>
Capital assets, net of accumulated depreciation	<u>\$ 32,249,919</u>	<u>\$ 11,312,692</u>	<u>\$ (12,298,410)</u>	<u>\$ 31,264,201</u>

Depreciation expense was charged to governmental functions as follows:

Building administration services \$ 1,112,821

The District does not capitalize interest on general fixed asset projects.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 4 - Long-Term Obligations

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 20,495,000	\$ -	\$ (1,800,000)	\$ 18,695,000	\$ 1,300,000
Premium	899,632	-	(66,220)	833,412	66,220
Vested vacation pay	29,377	68,329	(66,671)	31,035	31,035
Vested sick pay	156,375	28,307	(44,134)	140,548	140,548
OPEB supplemental pension	<u>1,849,069</u>	<u>178,462</u>	<u>(196,720)</u>	<u>1,830,811</u>	<u>194,266</u>
Total	<u>\$ 23,429,453</u>	<u>\$ 275,098</u>	<u>\$ (2,173,745)</u>	<u>\$ 21,530,806</u>	<u>\$ 1,732,069</u>

In prior years, the general and food service funds liquidated vested employee benefits. Interest cost incurred during the year totaled \$649,468 and total paid during the year aggregated \$731,278.

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, 2021 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	\$ 3,250,000
Bonds	4/12/18	3-5%	4/1/38	<u>15,445,000</u>
Total				<u>\$ 18,695,000</u>

General Obligation Debt Limit Calculation - The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,224,697,994. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (10 percent of \$1,224,697,994)	\$ 122,469,799
Applicable long-term debt	(18,695,000)
Amount available in debt service fund	<u>1,270,762</u>
Margin of indebtedness	<u>\$ 105,045,561</u>

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 4 - Long-Term Obligations - Continued

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		Total
	Principal	Interest	
June 30			
2022	\$ 1,300,000	\$ 668,915	\$ 1,968,915
2023	1,350,000	616,315	1,966,315
2024	1,410,000	561,515	1,971,515
2025	1,475,000	504,215	1,979,215
2026	1,480,000	447,590	1,927,590
2027-2031	4,685,000	1,614,688	6,299,688
2032-2036	5,495,000	805,988	6,300,988
2037-2038	1,500,000	59,990	1,559,990
	<u>\$ 18,695,000</u>	<u>\$ 5,279,216</u>	<u>\$ 23,974,216</u>

Cash Defeasance - The District defeased \$550,000 of outstanding 2015 refunding bonds by depositing \$583,163 with an escrow agent to reduce future debt service payments. The transaction resulted in an economic gain of \$47,893 and a reduction of \$631,056 in future debt service payments.

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, 2021, \$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 <http://etf.wi.gov/publications/cafr.htm>.

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, 2021

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 (%)
2011	(1.2)	11
2012	(7)	(7)
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

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, 2021

NOTE 5 - Wisconsin Retirement System - Continued

During the reporting period, the WRS recognized \$903,955 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At June 30, 2021, the District reported a liability (asset) of \$(5,133,201) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the District's proportion was 0.08222149%, which was a decrease of 0.00183923% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense (revenue) of \$(573,031).

At June 30, 2021, 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	\$ 7,429,320	\$ 1,600,263
Net differences between projected and actual earnings on pension plan investments	-	9,637,168
Changes in assumptions	116,431	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,350	35,128
Employer contributions subsequent to the measurement date	486,882	-
Total	\$ 8,036,983	\$ 11,272,559

\$486,882 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, 2022. 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, 2021

NOTE 5 - Wisconsin Retirement System - Continued

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2022	\$ (961,071)
2023	(264,738)
2024	(1,753,719)
2025	(742,930)
Thereafter	\$ -

Actuarial Assumptions - The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7%
Discount Rate:	7%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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:

Asset Allocation Targets and Expected Returns
As of December 31, 2020

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 5 - Wisconsin Retirement System - Continued

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	.8
Inflation Sensitive Assets	16	2	(.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.4%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate - A single discount rate of 7% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7% and a municipal bond rate of 2% (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, 2020. 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 7% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7 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 (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease to Discount Rate (6%)	Current Discount Rate (7%)	1% Increase to Discount Rate (8%)
District's proportionate share of the net pension liability (asset)	\$ 4,886,096	\$ (5,133,201)	\$ (12,492,301)

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 5 - Wisconsin Retirement System - Continued

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 \$195,986 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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 at least age 55 with 13 years of service will receive \$47,000 paid out in 60 monthly installments to a 403(b) account.

Employees Covered - As of the June 30, 2021 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	21
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>150</u>
Total	<u>171</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, 2021, contribution rates for plan members were \$0 per participant per month and \$783 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$0 and the District contributed \$194,266 to the plan.

Actuarial Assumptions - The net supplemental pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2019
Measurement Date of Net Pension Liability:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3%
Mortality:	Wisconsin 2018 Mortality Table

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

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 6 - Supplemental Pension Defined Benefit Plan - Continued

The net supplemental pension liability for June 30, 2021 is based upon an update of the liability calculated from the June 30, 2019 actuarial valuation. There were no material changes in assumptions or benefit terms 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.

Discount Rate - A discount rate of 2.25% was used to measure the total supplemental pension liability. This discount rate was based on the expected rate of return on pension plan investments of 2.25% 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 2,001,069	\$ 152,000	\$ 1,849,069
Changes for the year:			
Service cost	134,115	-	134,115
Interest	44,347	-	44,347
Contributions - employer	-	194,266	(194,266)
Net investment income	-	2,454	(2,454)
Benefit payments	(194,266)	(194,266)	-
Net changes	(15,804)	2,454	(18,258)
Ending balance	\$ 1,985,265	\$ 154,454	\$ 1,830,811

Sensitivity of the Net Supplemental Pension Liability to Changes in the Discount Rate - The following presents the net supplemental pension liability calculated using the discount rate of 2.25 percent, as well as what the net supplemental pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 6 - Supplemental Pension Defined Benefit Plan - Continued

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net supplemental pension liability (asset)	\$ 1,939,556	\$ 1,830,811	\$ 1,726,104

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

For the year ended June 30, 2021, the District recognized pension expense of \$149,706.

At June 30, 2021, 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	\$ 142,730	\$ 434,389
Net differences between projected and actual earnings on pension plan investments	1,821	-
Changes of assumptions or other input	228,367	254,734
Employer contributions subsequent to the measurement date	-	-
Total	\$ 372,918	\$ 689,123

\$0 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, 2022. 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
2022	\$ (25,336)
2023	(25,336)
2024	(25,338)
2025	(25,685)
2026	(25,879)
Thereafter	\$ (188,631)

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, 2021.

NOTE 7 - Interfund Balance and Activity

Interfund receivable and payable balances on June 30, 2021, are as follows:

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 7 - Interfund Balance and Activity - Continued

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Employee Benefit Trust	\$ 53,061
Special Education	Employee Benefit Trust	14,966
Long-term Capital Improvement	General	<u>200,000</u>
		<u>\$268,027</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, 2021 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
Other Capital Projects	Debt Service	\$ 119,185
General	Long-term Capital Improvement Trust	<u>1,133,000</u>
		<u>\$1,252,185</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.

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 - Administrators at least age 55 with 5 years of service will receive a \$500 monthly contribution towards medical premiums until the earlier of retiree election, 10 year maximum, or Medicare eligible. The retiree may choose to remain on the District's \$130,000 one year term life insurance provided they pay 100% of required premiums until Medicare eligible. The District shall provide retiring Administrators with health reimbursement arrangement contributions in an amount based on years of service: 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 medical plan or with an outside provider.

Teachers at least age 55 with 13 years of service will receive \$150 for single or \$400 for family monthly contribution towards medical premiums until Medicare eligible. The retiree may choose to remain on the District's \$130,000 one year term life insurance provided they pay 100% of required premiums until Medicare eligible.

Employees Covered - As of the June 30, 2021 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>289</u>
Total	<u>315</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, 2021, contribution rates for Plan members were \$782 - \$1,310 per participant per month and \$100 - \$500 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$287,882 and the District contributed \$0 to the plan.

Actuarial Assumptions - The net OPEB healthcare liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3%
Mortality:	Wisconsin 2018 Mortality Table
Medical Care Cost Trend:	7.5% decreasing by .5% per year to 6.5%, then 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 experience from 2015 - 2017.

The OPEB liability for June 30, 2021 is based upon an update of the liability calculated from the June 30, 2019 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:

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Asset Class	Long-Term Real Rate of Return	Target Allocation
Fixed Income	1.8%	100%

Discount Rate - A discount rate of 2.25% was used to measure the total OPEB healthcare liability. This discount rate was based on the expected rate of return on plan investments of 2.25%, 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.

Changes in the Net OPEB Healthcare Liability

	Increase (Decrease)		
	Total OPEB Healthcare Liability (a)	Fiduciary Net Position (b)	Net OPEB Healthcare Liability (a) - (b)
Beginning balance	\$ 2,960,813	\$ 4,993,827	\$ (2,033,014)
Changes for the year:			
Service cost	243,137	-	243,137
Interest	67,575	-	67,575
Net investment income	-	90,916	(90,916)
Benefit payments	(158,052)	(158,052)	-
Net changes	152,660	(67,136)	219,796
Ending balance	\$ 3,113,473	\$ 4,926,691	\$ (1,813,218)

Sensitivity of the Net OPEB Healthcare (Asset) Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB healthcare liability calculated using the healthcare cost trend rate of 7.5 percent decreasing to 5 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.5 percent decreasing to 4 percent) or 1-percentage-point higher (8.5 percent decreasing to 6 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (6.5% decreasing to 4%)	Current Healthcare Cost Rate (7.5% decreasing to 5%)	1% Increase to Healthcare Cost Rate (8.5% decreasing to 6%)
Net OPEB healthcare (asset) liability	\$ (2,098,286)	\$ (1,813,218)	\$ (1,473,186)

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Sensitivity of the Net OPEB Healthcare (Asset) Liability to Changes in the Discount Rate - The following presents the net OPEB healthcare liability calculated using the discount rate of 2.25 percent, as well as what the net OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB healthcare (asset) liability	\$ (1,617,167)	\$ (1,813,218)	\$ (2,000,888)

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

For the year ended June 30, 2021, the District recognized OPEB healthcare expense (revenue) of \$(19,153).

At June 30, 2021, 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	\$ 314	\$ 233,010
Net differences between projected and actual earnings on pension plan investments	14,447	-
Changes of assumptions or other input	188,924	1,992,960
Employer contributions subsequent to the measurement date	-	-
Total	\$ 203,685	\$ 2,225,970

\$0 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, 2022. 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
2022	\$ (219,282)
2023	(219,282)
2024	(219,285)
2025	(218,852)
2026	(222,787)
Thereafter	\$ (922,797)

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, 2021.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

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	\$ 381
Food service	Inventory	\$ 6,504
Restricted		
General	Self-funded dental	\$ 201,273
General	Common school	\$ 5,410
Special revenue trust	Donor specific expenses	\$ 551,313
Non-referendum debt service	Principal and interest	\$ 1,202,675
Referendum debt service	Principal and interest	\$ 68,087
Long-term capital improvement trust	DPI regulation	\$ 1,270,334
Food service	Food service program	\$ 139,549
Community service	Community service projects	\$ 92,050
Assigned		
General	Specific expenses	\$ 135,000

Governmental Activities

Restricted		
Special revenue	Donor specific expenses, food service program, and community service projects	\$ 782,912
Debt service	Principal and interest	\$ 1,270,762
Capital projects	DPI regulation	\$ 1,270,334
Other activities	Self-funded dental	\$ 201,273
Other activities	Common school fund	\$ 5,410
Other activities	OPEB Healthcare	\$ 1,813,218
Other activities	Wisconsin Retirement System pension	\$ 5,133,201

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 2021-2022. Expected costs are \$156,476.

MOSINEE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2021

NOTE 11 - Commitments and Contingencies - Continued

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

2021-2022	\$	1,252,764
2022-2023		1,296,661
2023-2024		1,341,993
2024-2025		1,388,962
2025-2026		<u>1,437,576</u>
	\$	<u>6,717,956</u>

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, 2021.

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 \$26,611, which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. Changes in the claims liability for the years ended June 30, 2021 and June 30, 2020 are as follows:

MOSINEE SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2021

NOTE 13 - Self-Funded Insurance - Continued

	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Year Ended</u> <u>June 30, 2020</u>
Beginning liability balance	\$ 58,165	\$ 46,081
Claims	214,523	215,353
Claim payments and changes in estimates	<u>(246,077)</u>	<u>(203,269)</u>
Ending liability balance	<u>\$ 26,611</u>	<u>\$ 58,165</u>

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

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.

NOTE 14 - Change in Accounting Principle

The change in accounting principles adjustment of \$362,661 on the statement of activities, statement of revenues, expenditures and changes in fund balances - governmental funds, and combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds is due to the adoption of Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*.

NOTE 15 - Coronavirus (COVID-19)

The World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. COVID-19 may impact various parts of the District's operations including costs for emergency preparedness, virtual school, shortages of personnel, and potential delays in revenue collections.

**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, 2021

	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	\$ 8,115,115	\$ -	\$ 8,115,115	\$ 8,115,115	\$ -	\$ 8,115,115	\$ 8,122,703	\$ -	\$ 8,122,703	\$ 7,588
Other local sources	230,168	-	230,168	230,168	-	230,168	263,636	-	263,636	33,468
Interdistrict sources	1,518,685	25,000	1,543,685	1,518,685	25,000	1,543,685	1,525,202	7,131	1,532,333	(11,352)
Intermediate sources	11,077	-	11,077	11,077	-	11,077	26,633	13,510	40,143	29,066
State sources	14,603,243	934,642	15,537,885	14,603,243	934,642	15,537,885	14,424,346	1,069,166	15,493,512	(44,373)
Federal sources	462,461	811,399	1,273,860	462,461	811,399	1,273,860	469,618	881,803	1,351,421	77,561
Other sources	40,132	-	40,132	40,132	-	40,132	21,558	-	21,558	(18,574)
TOTAL REVENUES	24,980,881	1,771,041	26,751,922	24,980,881	1,771,041	26,751,922	24,853,696	1,971,610	26,825,306	73,384
EXPENDITURES										
Current										
Instruction										
Regular instruction	9,172,351	75,443	9,247,794	9,172,351	75,443	9,247,794	8,864,738	76,670	8,941,408	306,386
Vocational instruction	736,317	6,000	742,317	736,317	6,000	742,317	600,349	-	600,349	141,968
Special instruction	-	3,490,662	3,490,662	-	3,490,662	3,490,662	-	3,414,625	3,414,625	76,037
Other instruction	1,195,742	-	1,195,742	1,195,742	-	1,195,742	1,125,840	-	1,125,840	69,902
Total instruction	11,104,410	3,572,105	14,676,515	11,104,410	3,572,105	14,676,515	10,590,927	3,491,295	14,082,222	594,293
Support services										
Pupil services	778,128	472,331	1,250,459	778,128	472,331	1,250,459	837,999	496,823	1,334,822	(84,363)
Instructional staff services	1,215,515	181,928	1,397,443	1,215,515	181,928	1,397,443	1,316,065	177,616	1,493,681	(96,238)
General administration services	475,000	-	475,000	475,000	-	475,000	632,331	-	632,331	(157,331)
Building administration services	1,081,999	-	1,081,999	1,081,999	-	1,081,999	1,211,897	-	1,211,897	(129,898)
Business services	3,995,535	328,100	4,323,635	3,995,535	328,100	4,323,635	3,726,614	261,909	3,988,523	335,112
Central services	46,000	8,000	54,000	46,000	8,000	54,000	22,343	3,854	26,197	27,803
Insurance	185,000	11,500	196,500	185,000	11,500	196,500	177,529	1,655	179,184	17,316
Other support services	616,389	37,000	653,389	616,389	37,000	653,389	756,098	2,763	758,861	(105,472)
Total support services	8,393,566	1,038,859	9,432,425	8,393,566	1,038,859	9,432,425	8,680,876	944,620	9,625,496	(193,071)
Non-program transactions	2,352,115	92,729	2,444,844	2,352,115	92,729	2,444,844	2,204,979	94,388	2,299,367	145,477
Capital outlay	57,900	25,000	82,900	57,900	25,000	82,900	132,545	23,175	155,720	(72,820)
TOTAL EXPENDITURES	21,907,991	4,728,693	26,636,684	21,907,991	4,728,693	26,636,684	21,609,327	4,553,478	26,162,805	473,879
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,072,890	(2,957,652)	115,238	3,072,890	(2,957,652)	115,238	3,244,369	(2,581,868)	662,501	547,263
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(3,758,151)	2,965,151	(793,000)	(3,758,151)	2,965,151	(793,000)	(3,714,868)	2,581,868	(1,133,000)	(340,000)
TOTAL OTHER FINANCING SOURCES (USES)	(3,758,151)	2,965,151	(793,000)	(3,758,151)	2,965,151	(793,000)	(3,714,868)	2,581,868	(1,133,000)	(340,000)
NET CHANGE IN FUND BALANCE	(685,261)	7,499	(677,762)	(685,261)	7,499	(677,762)	(470,499)	-	(470,499)	207,263
FUND BALANCE - BEGINNING OF YEAR	9,061,108	-	9,061,108	9,061,108	-	9,061,108	9,061,108	-	9,061,108	-
FUND BALANCE - END OF YEAR	\$ 8,375,847	\$ 7,499	\$ 8,383,346	\$ 8,375,847	\$ 7,499	\$ 8,383,346	\$ 8,590,609	\$ -	\$ 8,590,609	\$ 207,263

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, 2021

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	Pupil services	\$	84,363
General/Special Education	Instructional staff services		96,238
General/Special Education	General administration services		157,331
General/Special Education	Building administration services		129,898
General/Special Education	Other support services		105,472
General/Special Education	Capital outlay		72,820
General/Special Education	Transfer to other funds		340,000

MOSINEE SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2021

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

	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)
2021	0.08222149%	\$ (5,133,201)	\$13,391,915	-38.33%	105.26%
2020	0.08406072%	(2,710,501)	13,167,812	-20.58%	102.96%
2019	0.08510138%	3,027,640	12,975,554	23.33%	96.45%
2018	0.08624232%	(2,560,636)	12,711,804	-20.14%	102.93%
2017	0.08549154%	704,654	12,335,333	5.71%	99.12%
2016	0.08499535%	1,381,158	12,475,777	11.07%	98.20%
2015	0.08414164%	(2,066,749)	11,666,854	-17.71%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years *

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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, 2021

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

Changes of assumptions - no significant change in assumptions from the prior year were noted.

MOSINEE SCHOOL DISTRICT
SUPPLEMENTAL PENSION DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2021

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 134,115	\$ 169,734	\$ 165,918	\$ 153,167	\$ 128,979	\$ -	\$ -
Interest	44,347	59,695	77,004	105,310	95,533	-	-
Change in accounting principle	-	(305,515)	-	-	-	-	-
Differences between expected and actual experience	-	(122,730)	(52,959)	(359,205)	219,190	-	-
Changes of assumptions or other inputs	-	(212,003)	-	277,483	(115,711)	-	-
Benefit payments, including refunds of employee contributions	(194,266)	(197,399)	-	(140,999)	(285,604)	-	-
Other changes	-	-	-	-	-	43,561	(107,210)
Net Changes in Total Pension Liability	(15,804)	(608,218)	189,963	35,756	42,387	43,561	(107,210)
Total Pension Liability - Beginning	<u>2,001,069</u>	<u>2,609,287</u>	<u>2,480,297</u>	<u>2,444,541</u>	<u>2,402,154</u>	<u>2,358,593</u>	<u>2,465,803</u>
Total Pension Liability - Ending (a)	<u>\$ 1,985,265</u>	<u>\$ 2,001,069</u>	<u>\$ 2,670,260</u>	<u>\$ 2,480,297</u>	<u>\$ 2,444,541</u>	<u>\$ 2,402,154</u>	<u>\$ 2,358,593</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 194,266	\$ 349,399	\$ -	\$ 140,999	\$ 285,604	\$ 263,776	\$ 287,088
Net investment income	2,454	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(194,266)	(197,399)	-	(140,999)	(285,604)	(263,776)	(287,088)
Net Changes in Plan Fiduciary Net Position	2,454	152,000	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	152,000	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 154,454</u>	<u>\$ 152,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,830,811</u>	<u>\$ 1,849,069</u>	<u>\$ 2,670,260</u>	<u>\$ 2,480,297</u>	<u>\$ 2,444,541</u>	<u>\$ 2,402,154</u>	<u>\$ 2,358,593</u>
Plan fiduciary net position as a percentage of the total pension liability	7.78%	7.60%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 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	21.52%	21.74%	27.46%	33.41%	31.49%	25.00%	25.66%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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	(194,266)	(349,399)	-	(140,999)	(285,604)	(263,776)	(287,088)
Contribution deficiency (excess)	<u>\$ 167,967</u>	<u>\$ 12,834</u>	<u>\$ 236,690</u>	<u>\$ 123,494</u>	<u>\$ (20,674)</u>	<u>\$ -</u>	<u>\$ (23,312)</u>
Covered payroll	\$ 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	2.28%	4.11%	0.00%	1.90%	3.68%	2.75%	3.12%
Actuarial valuation date	6/30/2019	6/30/2019	6/30/2018	6/30/2018	6/30/2016	6/30/2014	6/30/2014
Measurement date	6/30/2021	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, 2021

Methods and assumptions used to determine actuarial calculations - entry age, fair value asset valuation, 2.25% discount rate, 2% inflation, 3% salary increases, Wisconsin 2018 Mortality Table.

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

Changes of assumptions - there were no changes of assumptions.

MOSINEE SCHOOL DISTRICT
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2021

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability				
Service cost	\$ 243,137	\$ 514,718	\$ 503,146	\$ 474,263
Interest	67,575	116,522	137,270	124,423
Change in accounting principle	-	305,515	-	-
Differences between expected and actual experience	-	(281,749)	396	(3,607)
Changes of assumptions or other input	-	(2,435,840)	238,122	-
Benefit payments	<u>(158,052)</u>	<u>(134,335)</u>	<u>(150,935)</u>	<u>(240,532)</u>
Net Changes in Total OPEB Healthcare Liability	152,660	(1,915,169)	727,999	354,547
Total OPEB Healthcare Liability - Beginning	2,960,813	4,875,982	4,147,983	3,793,436
Total OPEB Healthcare Liability - Ending (a)	<u>\$ 3,113,473</u>	<u>\$ 2,960,813</u>	<u>\$ 4,875,982</u>	<u>\$ 4,147,983</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ -	\$ -	\$ 510,652	\$ 726,083
Net investment income	90,916	90,781	43,102	54,239
Benefit payments	(158,052)	(134,335)	(250,000)	(240,532)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,999</u>
Net Changes in Plan Fiduciary Net Position	(67,136)	(43,554)	303,754	680,789
Plan Fiduciary Net Position - Beginning	4,993,827	5,037,381	4,733,627	4,052,838
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,926,691</u>	<u>\$ 4,993,827</u>	<u>\$ 5,037,381</u>	<u>\$ 4,733,627</u>
Net OPEB Healthcare (Asset) Liability - Ending (a) - (b)	<u>\$ (1,813,218)</u>	<u>\$ (2,033,014)</u>	<u>\$ (161,399)</u>	<u>\$ (585,644)</u>
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	158.24%	168.66%	103.31%	114.12%
Covered payroll	\$ 12,863,941	\$ 12,863,941	\$ 9,723,670	\$ 10,192,191
Net OPEB Healthcare (Asset) Liability as a percentage of covered payroll	-14.10%	-15.80%	-1.66%	-5.75%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

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

Notes to Required Supplementary Information for the Year Ended June 30, 2021

Methods and assumptions used to determine actuarial calculations - entry age normal - level %, fair value asset valuation, 2.25% discount rate, 2% inflation, 3% salary increases, Wisconsin 2018 Mortality Table.

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

Changes of assumptions - there were no changes of assumptions.

**MOSINEE SCHOOL DISTRICT
MOSINEE, WISCONSIN**

SUPPLEMENTARY INFORMATION

MOSINEE SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM DEBT SERVICE	REFERENDUM APPROVED DEBT SERVICE	LONG-TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS	
ASSETS								
Cash and investments	\$ 558,799	\$180,042	\$ 92,730	\$ 1,197,553	\$ 68,087	\$ 1,070,334	\$ -	\$ 3,167,545
Receivables								
Interest	-	-	-	5,122	-	-	-	5,122
Due from other funds	-	-	-	-	-	200,000	-	200,000
Due from other governments	-	8,745	-	-	-	-	-	8,745
Inventories	-	6,504	-	-	-	-	-	6,504
TOTAL ASSETS	558,799	195,291	92,730	1,202,675	68,087	1,270,334	-	3,387,916
LIABILITIES								
Accounts payable	7,486	-	629	-	-	-	-	8,115
Accrued payroll liabilities	-	1,785	51	-	-	-	-	1,836
Unearned revenue	-	47,453	-	-	-	-	-	47,453
TOTAL LIABILITIES	7,486	49,238	680	-	-	-	-	57,404
FUND BALANCES								
Nonspendable	-	6,504	-	-	-	-	-	6,504
Restricted	551,313	139,549	92,050	1,202,675	68,087	1,270,334	-	3,324,008
TOTAL FUND BALANCES	551,313	146,053	92,050	1,202,675	68,087	1,270,334	-	3,330,512
TOTAL LIABILITIES AND FUND BALANCES	\$ 558,799	\$195,291	\$ 92,730	\$ 1,202,675	\$ 68,087	\$ 1,270,334	\$ -	\$ 3,387,916

MOSINEE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD	COMMUNITY	NON-REFERENDUM	REFERENDUM	LONG-TERM CAPITAL	OTHER	
		SERVICE	SERVICE	DEBT SERVICE	APPROVED DEBT SERVICE	IMPROVEMENT TRUST	CAPITAL PROJECTS	
REVENUES								
Property taxes	\$ -	\$ -	\$ 250,000	\$ 943,029	\$ 1,318,375	\$ -	\$ -	\$ 2,511,404
Other local sources	650,135	50,340	-	8,754	122	40,842	350	750,543
State sources	-	10,360	-	-	-	-	-	10,360
Federal sources	-	542,904	-	-	-	-	-	542,904
Other sources	-	-	12,419	-	-	-	844	13,263
TOTAL REVENUES	650,135	603,604	262,419	951,783	1,318,497	40,842	1,194	3,828,474
EXPENDITURES								
Current								
Instruction								
Regular instruction	10,001	-	-	-	-	-	-	10,001
Vocational instruction	1,062	-	-	-	-	-	-	1,062
Other instruction	432,565	-	-	-	-	-	-	432,565
Total instruction	443,628	-	-	-	-	-	-	443,628
Support service								
Pupil services	338	-	-	-	-	-	-	338
Building administration services	14,594	-	-	-	-	-	-	14,594
Business services	854	548,605	-	-	-	61,537	-	610,996
Community services	-	-	263,176	-	-	-	-	263,176
Total support services	15,786	548,605	263,176	-	-	61,537	-	889,104
Non-program transactions	182,656	200	381	-	-	-	-	183,237
Debt service								
Principal	-	-	-	645,000	605,000	-	-	1,250,000
Interest	-	-	-	610,340	120,938	-	-	731,278
Other	-	-	-	740	13,299	-	-	14,039
Total debt service	-	-	-	1,256,080	739,237	-	-	1,995,317
Capital outlay	-	-	-	-	-	74,489	794,661	869,150
TOTAL EXPENDITURES	642,070	548,805	263,557	1,256,080	739,237	136,026	794,661	4,380,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,065	54,799	(1,138)	(304,297)	579,260	(95,184)	(793,467)	(551,962)
OTHER FINANCING SOURCES								
Net transfer (to) from other funds	-	-	-	119,185	-	1,133,000	(119,185)	1,133,000
Payment to debt escrow agent	-	-	-	-	(583,163)	-	-	(583,163)
TOTAL OTHER FINANCING SOURCES	-	-	-	119,185	(583,163)	1,133,000	(119,185)	549,837
NET CHANGE IN FUND BALANCE	8,065	54,799	(1,138)	(185,112)	(3,903)	1,037,816	(912,652)	(2,125)
FUND BALANCES - BEGINNING OF YEAR	180,587	91,254	93,188	1,387,787	71,990	232,518	912,652	2,969,976
CHANGE IN ACCOUNTING PRINCIPLE	362,661	-	-	-	-	-	-	362,661
FUND BALANCES - END OF YEAR	\$ 551,313	\$ 146,053	\$ 92,050	\$ 1,202,675	\$ 68,087	\$ 1,270,334	\$ -	\$ 3,330,512

MOSINEE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2020	REVENUES		RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2021	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, 2020 - June 30, 2021	2021-373787-DPI-SB-546	10.553	N/A	\$ -	\$ 48,157	\$ 51,020	\$ 2,863	\$ -
Food Distribution July 1, 2020 - June 30, 2021	None	10.555	N/A	-	58,349	58,349	-	-
COVID-19 - National School Lunch Program July 1, 2020 - June 30, 2021	2021-373787-DPI-NSL-547	10.555	N/A	-	427,652	433,534	5,882	-
Total Child Nutrition Cluster				-	534,158	542,903	8,745	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	534,158	542,903	8,745	-
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, 2019 - June 30, 2020	2020-373787-DPI-IDEA-F-341	84.027A	N/A	150,082	150,082	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-IDEA-FT-341			\$ 382,150	220,825	382,150	161,325	-
Special Education - Grants to States - CEIS July 1, 2019 - June 30, 2020	2020-373787-DPI-IDEA-F-341	84.027A	N/A	14,431	14,431	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-IDEA-P-341			63,134	60,844	62,947	2,103	-
Special Education - Preschool Grants (IDEA Preschool) July 1, 2019 - June 30, 2020	2020-373787-DPI-IDEA-P-347	84.173A	N/A	18,463	18,463	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-IDEA-P-347			25,729	11,805	25,729	13,924	-
Total Special Education Cluster				182,976	476,450	470,826	177,352	-
<u>Education Stabilization Fund</u>								
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund March 13, 2020 - September 30, 2022	2021-373787-DPI-ESSERF-160	84.425D		140,341	127,667	140,341	12,674	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund March 13, 2020 - September 30, 2023	2021-373787-DPI-ESSERF-163	84.425D		291,408	-	291,408	291,408	-
Total Education Stabilization Fund				-	127,667	431,749	304,082	-
Title I-A - Grants to Local Educational Agencies July 1, 2019 - June 30, 2020	2020-373787-TIA-141	84.010A	N/A	43,543	43,543	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-TIA-141			145,421	128,758	145,421	16,663	-
Title II-A - Supporting Effective Instruction State Grants July 1, 2019 - June 30, 2020	2020-373787-TIIA-365	84.367A	N/A	12,095	12,095	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-TIIA-365			32,236	24,973	32,236	7,263	-
Title IV - Student Support and Academic Enrichment Grants July 1, 2019 - June 30, 2020	2020-373787-TIVA-DPI-381	84.424A	N/A	2,769	2,769	-	-	-
July 1, 2020 - June 30, 2021	2021-373787-DPI-TIV-A-381			12,079	10,241	12,080	1,839	-
Cooperative Educational Service Agency #9 Career and Technical Education - Basic Grants to States (Perkins IV) July 1, 2020 - June 30, 2021	None	84.048	N/A	-	9,049	9,049	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION				241,383	835,545	1,101,361	507,199	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
<u>Medicaid Cluster</u>								
Medical Assistance July 1, 2019 - June 30, 2020	None	93.778	N/A	27,138	27,138	-	-	-
July 1, 2020 - June 30, 2021	None			-	204,900	259,109	54,209	-
Total Medicaid Cluster				27,138	232,038	259,109	54,209	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				27,138	232,038	259,109	54,209	-
TOTAL FEDERAL AWARDS				\$ 268,521	\$ 1,601,741	\$ 1,903,373	\$ 570,153	\$ -

The accompanying notes are an integral part of these statements.

MOSINEE SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH		RECEIVABLE			RECEIVABLE		SUBRECIPIENT PASS-THROUGH EXPENDITURES
	ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	(UNEARNED REVENUE) JULY 1, 2020	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	(UNEARNED REVENUE) JUNE 30, 2021		
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Wisconsin Department of Public Instruction								
Special Education and School Age Parents	373787-100	255.101	\$ -	\$ 1,080,216	\$ 1,082,710	\$ 2,494	\$ -	-
State School Lunch Aid	373787-107	255.102	-	8,017	8,017	-	-	-
Common School Fund Library Aid	373787-104	255.103	-	77,947	77,947	-	-	-
General Transportation Aid	373787-102	255.107	-	79,567	79,567	-	-	-
General Aids Cluster								
Equalization Aid	373787-116	255.201	208,286	12,634,922	12,626,136	199,500	-	-
High Cost Special Education Aid	373787-119	255.210	-	2,097	2,097	-	-	-
Supplemental Per Pupil Aid	373787-181	255.245	-	6,032	6,032	-	-	-
School Based Mental Health Services	373787-177	255.297	77,225	77,225	74,818	74,818	-	-
School Breakfast Program	373787-108	255.344	-	2,343	2,343	-	-	-
Early College Credit Program	373787-178	255.445	-	1,636	1,636	-	-	-
Educator Effectiveness Evaluation System	373787-154	255.940	14,480	14,480	15,600	15,600	-	-
Per Pupil Aid	373787-113	255.945	-	1,472,870	1,472,870	-	-	-
Career and Technical Education Incentive	373787-152	255.950	-	36,692	36,692	-	-	-
Assessment of Reading Readiness	373787-166	255.956	-	3,453	3,453	-	-	-
Special Education Transition Incentive	373787-168	255.960	-	5,000	5,000	-	-	-
Tomahawk School District								
Peer Review and Mentoring	None	255.301	838	838	-	-	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			300,829	15,503,335	15,494,918	292,412	-	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
Northcentral Technical College								
Expanded Wisconsin Fast Forward Funds	None	None	-	16,324	16,324	-	-	-
Youth Apprenticeship State Grant	None	445.107	(27,127)	-	-	(27,127)	-	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			(27,127)	16,324	16,324	(27,127)	-	-
WISCONSIN DEPARTMENT OF ADMINISTRATION								
Cooperative Educational Service Agency #9								
TEACH	None	None	-	1,260	1,260	-	-	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES								
Payment in Lieu of Taxes								
	None	None	-	21,105	21,105	-	-	-
WISCONSIN DEPARTMENT OF REVENUE								
Exempt Computer Aid								
	None	None	8,491	8,491	8,491	8,491	-	-
WISCONSIN DEPARTMENT OF JUSTICE								
Security Updates and Mental Health Training								
	None	445.206	27,451	27,451	-	-	-	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 309,644	\$ 15,577,966	\$ 15,542,098	\$ 273,776	\$ -	-

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, 2021

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

2020-2021 eligible costs under the State Special Education Program are \$3,727,168.

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.