

**WILMOT UNION HIGH SCHOOL DISTRICT
WILMOT, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



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INDEPENDENT AUDITORS' REPORT

Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules relating to pensions and other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

Board of Education
Wilmot Union High School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the Wilmot Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wilmot Union High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilmot Union High School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 15, 2023

BASIC FINANCIAL STATEMENTS

**WILMOT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 1,176,933
Receivables:	
Taxes	4,520,590
Accounts	22,859
Due from Other Governments	1,343,310
Prepaid Items	138,200
Assets Held for Resale	15,801
Capital Assets:	
Nondepreciable	710,000
Depreciable, Net	<u>31,296,775</u>
Total Assets	<u>39,224,468</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Debt Refunding	186,617
Pension Related Amounts	9,793,227
Other Postemployment Related Amounts	<u>7,613</u>
Total Deferred Outflows of Resources	<u>9,987,457</u>
LIABILITIES	
Accounts Payable	233,258
Accrued and Other Current Liabilities	615,044
Accrued Interest Payable	35,000
Due to Other Governments	21,767
Long-Term Obligations:	
Due in One Year	4,026,658
Due in More Than One Year	3,577,774
Other Postemployment Benefits Liability:	
Due in One Year	23,000
Due in More Than One Year	341,329
Net Pension Liability	<u>2,688,370</u>
Total Liabilities	<u>11,562,200</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	5,633,883
Other Postemployment Related Amounts	550,207
Gain on Debt Refunding	<u>32,112</u>
Total Deferred Inflows of Resources	<u>6,216,202</u>
NET POSITION	
Net Investment in Capital Assets	24,556,848
Restricted	4,266,794
Unrestricted	<u>2,609,881</u>
Total Net Position	<u><u>\$ 31,433,523</u></u>

See accompanying Notes to Basic Financial Statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Instruction:				
Regular Instruction	\$ 4,538,652	\$ 1,015,380	\$ 358,579	\$ (3,164,693)
Vocational Instruction	1,299,188	9,745	-	(1,289,443)
Special Education Instruction	1,839,833	32,406	965,098	(842,329)
Other Instruction	1,515,170	48,874	8,696	(1,457,600)
Total Instruction	<u>9,192,843</u>	<u>1,106,405</u>	<u>1,332,373</u>	<u>(6,754,065)</u>
Support Services:				
Pupil Services	1,166,563	-	-	(1,166,563)
Instructional Staff Services	811,103	8,606	73,917	(728,580)
General Administration Services	388,943	-	-	(388,943)
School Administration Services	716,006	-	-	(716,006)
Business Services	326,639	-	-	(326,639)
Operations and Maintenance of Plant	2,922,710	-	-	(2,922,710)
Pupil Transportation Services	535,566	273,592	26,936	(235,038)
Food Services	565,894	596,348	4,944	35,398
Central Services	43,010	-	-	(43,010)
Insurance	166,648	-	-	(166,648)
Other Support Services	402,817	-	-	(402,817)
Total Support Services	<u>8,045,899</u>	<u>878,546</u>	<u>105,797</u>	<u>(7,061,556)</u>
Community Services	51,502	40,943	-	(10,559)
Nonprogram:				
General Tuition Payments	1,169,906	-	-	(1,169,906)
Co-Curricular Cooperative Program	2,346	-	-	(2,346)
Special Education Tuition Payments	31,490	-	-	(31,490)
Voucher Payments	9,920	-	-	(9,920)
Revenue Transits to Others	4,890	-	-	(4,890)
Post Secondary Scholarships	26,500	-	243,384	216,884
Adjustments and Refunds	2,305	-	-	(2,305)
Total Nonprogram	<u>1,247,357</u>	<u>-</u>	<u>243,384</u>	<u>(1,003,973)</u>
Interest and Fiscal Charges	325,241	-	-	(325,241)
Depreciation - Unallocated	1,096,892	-	-	(1,096,892)
Total Governmental Activities	<u>\$ 19,959,734</u>	<u>\$ 2,025,894</u>	<u>\$ 1,681,554</u>	<u>(16,252,286)</u>
GENERAL REVENUES				
Property Taxes				15,051,929
Other Taxes				33,551
State and Federal Aids not Restricted to Specific Functions				4,224,749
Interest and Investment Earnings				31,965
Miscellaneous				41,686
Total General Revenues				<u>19,383,880</u>
CHANGE IN NET POSITION				
				3,131,594
Net Position - Beginning of Year				<u>28,301,929</u>
NET POSITION - END OF YEAR				<u>\$ 31,433,523</u>

See accompanying Notes to Basic Financial Statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	<u>General</u>	<u>Referendum Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 627,540	\$ 1,200	\$ 548,193	\$ 1,176,933
Receivables:				
Taxes	690,571	3,641,020	189,000	4,520,591
Accounts	22,859	-	-	22,859
Due from Other Funds	50,105	-	77,890	127,995
Due from Other Governments	1,331,249	-	12,061	1,343,310
Prepaid Items	138,200	-	-	138,200
Assets Held for Resale	15,801	-	-	15,801
	<u>\$ 2,876,325</u>	<u>\$ 3,642,220</u>	<u>\$ 827,144</u>	<u>\$ 7,345,689</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 126,590	\$ -	\$ 106,665	\$ 233,255
Accrued and Other Current Liabilities	615,044	-	-	615,044
Due to Other Funds	67,090	-	60,905	127,995
Due to Other Governments	21,767	-	-	21,767
Total Liabilities	<u>830,491</u>	<u>-</u>	<u>167,570</u>	<u>998,061</u>
FUND BALANCES				
Nonspendable	154,001	-	-	154,001
Restricted	-	3,642,220	659,574	4,301,794
Unassigned	1,891,833	-	-	1,891,833
Total Fund Balances	<u>2,045,834</u>	<u>3,642,220</u>	<u>659,574</u>	<u>6,347,628</u>
Total Liabilities and Fund Balances	<u>\$ 2,876,325</u>	<u>\$ 3,642,220</u>	<u>\$ 827,144</u>	<u>\$ 7,345,689</u>

See accompanying Notes to Basic Financial Statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2023**

Total Fund Balances as Shown on Previous Page \$ 6,347,628

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 32,006,775

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Loss on Debt Refunding	186,617
Deferred Outflows Related to Pensions	9,793,227
Deferred Inflows Related to Pensions	(5,633,883)
Deferred Outflows Related to Other Postemployment Benefits	7,613
Deferred Inflows Related to Other Postemployment Benefits	(550,207)
Gain on Debt Refunding	(32,112)

Long-term liabilities are not due and payable in the current period; therefore, are not reported in the funds:

Bonds and Notes Payable	(7,560,000)
Premium on Debt	(44,432)
Other Postemployment Benefits Liability	(364,329)
Net Pension Liability	(2,688,374)
Accrued Interest on Long-Term Obligations	(35,000)
	(35,000)

Net Position of Governmental Activities as Reported on the Statement of Net Position (see Page 5)	\$ 31,433,523
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**WILMOT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General	Referendum Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 8,986,948	\$ 5,875,981	\$ 189,000	\$ 15,051,929
Other Local Sources	516,615	-	979,147	1,495,762
Interdistrict Sources	926,270	-	8,606	934,876
Intermediate Sources	13,955	-	-	13,955
State Sources	4,191,050	-	-	4,191,050
Federal Sources	1,358,626	-	4,944	1,363,570
Other Sources	40,186	-	-	40,186
Total Revenues	<u>16,033,650</u>	<u>5,875,981</u>	<u>1,181,697</u>	<u>23,091,328</u>
EXPENDITURES				
Instruction:				
Regular Instruction	4,410,210	-	8,925	4,419,135
Vocational Instruction	1,290,263	-	-	1,290,263
Special Education Instruction	1,839,833	-	-	1,839,833
Other Instruction	1,199,660	-	315,510	1,515,170
Total Instruction	<u>8,739,966</u>	<u>-</u>	<u>324,435</u>	<u>9,064,401</u>
Support Services:				
Pupil Services	903,902	-	8,606	912,508
Instructional Staff Services	810,896	-	207	811,103
General Administration Services	388,943	-	-	388,943
School Administration Services	663,764	-	52,242	716,006
Business Services	326,639	-	-	326,639
Operations and Maintenance of Plant	2,870,617	-	52,093	2,922,710
Pupil Transportation Services	535,566	-	-	535,566
Food Services	-	-	565,894	565,894
Central Services	43,010	-	-	43,010
Insurance	166,648	-	-	166,648
Other Support Services	402,817	-	-	402,817
Total Support Services	<u>7,112,802</u>	<u>-</u>	<u>679,042</u>	<u>7,791,844</u>
Debt Service:				
Principal	-	3,985,000	-	3,985,000
Interest and Fiscal Charges	-	25,962	89,000	114,962
Total Debt Service	<u>-</u>	<u>4,010,962</u>	<u>89,000</u>	<u>4,099,962</u>
Community Service	-	-	51,471	51,471

See accompanying Notes to Basic Financial Statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	<u>General</u>	<u>Referendum Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES (CONTINUED)				
Nonprogram:				
General Tuition Payments	\$ 1,169,906	\$ -	\$ -	\$ 1,169,906
Co-Curricular Cooperative Program	2,346	-	-	2,346
Special Education Tuition Payments	31,490	-	-	31,490
Adjustments and Refunds	2,305	-	-	2,305
Voucher Payments	9,920	-	-	9,920
Post Secondary Scholarships	-	-	26,500	26,500
Revenue Transits to Others	4,890	-	-	4,890
Total Nonprogram	<u>1,220,857</u>	<u>-</u>	<u>26,500</u>	<u>1,247,357</u>
Total Expenditures	<u>17,073,625</u>	<u>4,010,962</u>	<u>1,170,448</u>	<u>22,255,035</u>
NET CHANGE IN FUND BALANCES	(1,039,975)	1,865,019	11,249	836,293
Fund Balances - Beginning of Year	<u>3,085,809</u>	<u>1,777,201</u>	<u>648,325</u>	<u>5,511,335</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,045,834</u></u>	<u><u>\$ 3,642,220</u></u>	<u><u>\$ 659,574</u></u>	<u><u>\$ 6,347,628</u></u>

See accompanying Notes to Basic Financial Statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances as Shown on Previous Page \$ 836,293

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures in the Governmental Fund Statements	377,280
Depreciation Expense Reported in the Statement of Activities	(1,096,892)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Repaid	3,985,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	3,321
Amortization of Premiums and Loss on Debt Refunding	(213,604)
Net Pension Liability	(6,960,055)
Deferred Outflows of Resources Related to Pensions	1,745,716
Deferred Inflows of Resources Related to Pensions	4,437,086
Other Postemployment Benefits	227,121
Deferred Outflows of Resources Related to Other Postemployment Benefits	(1,087)
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>(208,585)</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see Page 6)	<u><u>\$ 3,131,594</u></u>
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**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is organized as a unified school district. The District, governed by an elected seven-member board, operates grades 9 through 12 and is comprised of all or parts of seven taxing districts. In accordance with U.S. GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Government-Wide and Fund Financial Statements

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

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

Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Referendum Debt Service Fund – This fund account for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt authorized by an approved referendum.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Property Taxes

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

Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

3. 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 to the basic financial statements.

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities
Land Improvements	20 to 50 Years
Buildings and Improvements	20 to 50 Years
Machinery and Equipment	5 to 20 Years
Vehicles	5 Years

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

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

10. Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying teachers and administrators are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the District Administrator and the Business Manager to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

District-Wide Fund Statements

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Fund Equity (Continued)

District-Wide Fund Statements (Continued)

- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

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

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the District's cash and investments totaled \$1,176,933 on June 30, 2023 as summarized below:

Petty Cash and Cash on Hand	
Deposits with Financial Institutions	\$ 832,007
Investments:	
Repurchase Agreement	100,000
Wisconsin Local Government Investment Pool	167,961
Certificates of Deposit	20,000
U.S. Treasury Securities	56,965
Total	<u>\$ 1,176,933</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	<u>\$ 1,176,933</u>

Fair Value Measurements

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 for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2023:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Securities	\$ -	\$ 56,965	\$ -
Total	<u>\$ -</u>	<u>\$ 56,965</u>	<u>\$ -</u>

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the District's deposits and investments and the related risks.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2023, all of the District's deposits with financial institutions were covered by federal and state depository insurance limits.

On June 30, 2023, the District held repurchase agreement investments of \$100,000 of which the underlying securities are held by the investment's counterparty, not in the name of the District.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Certificates of Deposit	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
U.S. Treasury Securities	56,965	56,965	-	-	-
Ultimate Saving Dividend	39,457	39,457	-	-	-
Repurchase Agreement	100,000	100,000	-	-	-
Wisconsin Local Government Investment Pool	167,961	-	-	-	167,961
Total	<u>\$ 384,383</u>	<u>\$ 216,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,961</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Certificate of Deposit	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
U.S. Treasury Securities	56,965	-	-	-	56,965
Repurchase Agreement	100,000	100,000	-	-	-
Ultimate Saving Dividend	39,457	39,457	-	-	-
Wisconsin Local Government Investment Pool	167,961	167,961	-	-	-
Total	<u>\$ 384,383</u>	<u>\$ 327,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,965</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investments in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$167,961 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2023, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 710,000	\$ -	\$ -	\$ 710,000
Capital Assets, Depreciable:				
Land Improvements	778,679	-	-	778,679
Buildings and Improvements	53,867,257	269,995	-	54,137,252
Machinery and Equipment	1,986,344	72,610	-	2,058,954
Vehicles	201,318	34,675	-	235,993
Subtotal	56,833,598	377,280	-	57,210,878
Less Accumulated Depreciation for:				
Land Improvements	247,365	1,670	-	249,035
Buildings and Improvements	22,636,257	946,457	-	23,582,714
Machinery and Equipment	1,773,087	131,135	-	1,904,222
Vehicles	160,502	17,630	-	178,132
Subtotal	24,817,211	1,096,892	-	25,914,103
Total Capital Assets, Depreciable, Net	32,016,387	(719,612)	-	31,296,775
Governmental Activities Capital Assets, Net	<u>\$ 32,726,387</u>	<u>\$ (719,612)</u>	<u>\$ -</u>	32,006,775
Less: Capital Related Debt				7,560,000
Less: Debt Premium				44,432
Add: Loss/(Gain) on Advance Refunding				154,505
Net Investment in Capital Assets				<u>\$ 24,556,848</u>

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables as of June 30, 2023 were as follows:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance		
Operating Cash Deficit:		
Governmental Funds:		
General	\$ 50,105	\$ 67,090
Donations	24,290	39,699
Cooperative Package Special Revenue	12,600	21,206
Debt Service - Nonreferendum	41,000	-
Total	\$ 127,995	\$ 127,995

The principal purpose of the interfund balances results from the time lag 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. In all cases amounts are expected to be repaid within one year.

D. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 11,545,000	\$ -	\$ 3,985,000	\$ 7,560,000	\$ 4,000,000
Debt Premium	71,090	-	26,658	44,432	26,658
Governmental Activities Long-Term Obligations	\$ 11,616,090	\$ -	\$ 4,011,658	\$ 7,604,432	\$ 4,026,658

Total interest paid during the year on long-term debt totaled \$114,963.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/23
General Obligation Refunding Bonds	09/14/17	03/01/25	2.50%	\$ 3,560,000	\$ 3,560,000
General Obligation Refunding Bonds	03/31/21	03/01/24	0.20-0.40%	8,115,000	4,000,000
Total Outstanding General Obligation Debt					<u>\$ 7,560,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$7,560,000 on June 30, 2023 are detailed below:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,000,000	\$ 105,000	\$ 4,105,000
2025	3,560,000	89,000	3,649,000
Total	<u>\$ 7,560,000</u>	<u>\$ 194,000</u>	<u>\$ 7,754,000</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2023 was \$306,414,045 as follows:

Equalized Valuation of the District	\$ 3,139,740,449
Statutory Limitation Percentage	<u>10%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	313,974,045
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>7,560,000</u>
Legal Margin for New Debt	<u>\$ 306,414,045</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan

WRS Pension 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, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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.

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

WRS Pension Plan Description (Continued)

Vested participants may retire at or after age 55 (50 for protective occupation employees) 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.

Postretirement Adjustments

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

<u>Year Ending June 30,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)%	(9.0)%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

Contributions (Continued)

During the year ended June 30, 2023, WRS recognized \$593,395 in contributions from the District.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

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

At June 30, 2023, the District reported a liability of \$2,688,370 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.05074595%, which was a decrease of 0.00225142% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,372,165.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,281,739	\$ 5,625,245
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	4,566,921	-
Changes in Assumptions	528,644	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	45,525	8,638
Employer Contributions Subsequent to the Measurement Date	370,398	-
Total	<u>\$ 9,793,227</u>	<u>\$ 5,633,883</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

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

\$370,398 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Expense</u>
2024	\$ 163,340
2025	787,187
2026	809,398
2027	2,029,021
2028	-
Total	<u>\$ 3,788,946</u>

Actuarial Assumptions

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

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	48.0 %	7.6%	5.0%
Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund	<u>115.0 %</u>	7.4	4.8
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.2%	4.6%
International Equities	30.0	8.1	5.5
Total Variable Fund	<u>100.0 %</u>	7.7	5.1

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

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset)

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District’s Proportionate Share of the Net Pension Liability (Asset)	\$ 8,922,612	\$ 2,688,370	\$ (1,600,254)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2023, the District reported a payable of \$143,667 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits

Single Employer Defined Benefit Plan

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan does not issue separate financial statements. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

Teachers retired prior to July 1, 2012:

Retiree may elect to remain on District's group medical plan upon exhaustion of District provided medical benefit provided they self-pay the full amount (100%) of the required premiums.

Administrators retired prior to July 1, 2015:

Retiree may elect to remain on District's group medical plan upon exhaustion of District provided medical benefit provided they self-pay the full amount (100%) of the required premiums.

Support Staff: Secretaries, Custodians & Aides who are at least age 55:

Retiree may elect to remain on District's group medical plan upon exhaustion of District provided medical benefit provided they self-pay the full amount (100%) of the required premiums.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries:	
Currently Receiving Benefit Payments	4
Active Employees	101
Total	<u>105</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Single Employer Defined Benefit Plan (Continued)

Employees Covered by Benefit Terms (Continued)

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

Actuarial Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal (Level Percentage of Salary)
Healthcare Cost Trend Rates:	7.00% Decreasing by 0.10% Per Year Down to 4.50%, and Level Thereafter.
Discount Rate:	4%
Inflation:	3%
Actuarial Assumptions:	Based on an Experience Study Conducted in 2021 Using Wisconsin Retirement System (WRS) Experiences from 2018-2020
Mortality Assumptions:	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generated MP-2021 projection scale from a base year of 2010
Salary Increases:	Ranges from 0.2% to 5.6%

Discount Rate. The discount rate used to measure the total OPEB liability was 4.0%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	\$ 591,450
Changes for the Year:	
Service Cost	62,455
Interest	13,751
Difference Between Expected and Actual Experience	(206,865)
Changes of Assumptions	(73,462)
Benefit Payments	(23,000)
Net Changes	<u>(227,121)</u>
Balance at June 30, 2023	<u>\$ 364,329</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Single Employer Defined Benefit Plan (Continued)

Changes in the Total OPEB Liability (Continued)

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

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 392,366	\$ 364,329	\$ 338,079

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB Liability	\$ 324,688	\$ 364,329	\$ 410,732

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$5,551. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 296,936
Changes in Assumptions	7,613	253,271
Total	\$ 7,613	\$ 550,207

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Single Employer Defined Benefit Plan (Continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

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

<u>Year Ending June 30,</u>	<u>Revenue</u>
2024	\$ (70,655)
2025	(70,655)
2026	(70,655)
2027	(70,650)
2028	(67,601)
Thereafter	<u>(192,378)</u>
Total	<u>\$ (542,594)</u>

Single Employer Defined Contribution Plan

The District contributes to the Health Reimbursement Arrangement for Retirees (the HSA Plan), a defined contribution OPEB plan, for its support staff employees and certain retirees as of June 2023. The HSA Plan is administered by the District. The HSA Plan has no assets accumulated in a trust that meets the requirements of GASB Statement No. 75.

Benefit terms, including contribution requirements, for the HSA Plan are established and may be amended by the District's board. For each employee in the OPEB plan, the District is required to contribute \$1,000 per year of eligible service to an individual employee account. At establishment in June 2022, a contribution of \$1,000 per year or prior eligible service was contributed by the District. For the year ended June 30, 2023, employee contributions totaled \$1,503,757, contributions payable totaled \$-0-, and the District recognized OPEB expense of \$55,495.

Employees become vested in District contributions and earnings on District contributions at age 55 and retirement or on a scale based on years of creditable service with the District. Nonvested District contributions are forfeited upon termination of employment. Such forfeitures are used to reduce future District contributions. For the year ended June 30, 2023, forfeitures reduced the District's OPEB expense by \$-0-.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2023, nonspendable fund balance was as follows:

	General
Nonspendable:	
General Fund:	
Prepaid Items	\$ 138,200
Assets Held for Resale	15,801
Total General Fund Nonspendable Fund Balance	\$ 154,001

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2023, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Donations	\$ 305,539
Food Service Program	53,937
Community Service Programs	143,959
Total Special Revenue Funds	503,435
Debt Service Funds:	
Restricted for:	
Debt Service	3,777,962
Capital Projects Fund:	
Restricted for:	
Capital Expansion	20,397
Total Restricted Fund Balance	\$ 4,301,794

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy of 18% of General Fund Operating Expenditures. The minimum fund balance amount is calculated as follows:

Actual 2022-2023 General Fund (Funds 10 and 27)	
Operating Expenditures	\$ 17,073,625
Minimum Fund Balance %	18%
Minimum Fund Balance Amount	\$ 3,073,253

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity (Continued)

Minimum General Fund Balance Policy (Continued)

The District's unassigned General Fund balance of \$1,891,833 is not in compliance with the minimum fund balance policy.

Net Position

The District reports restricted net position at June 30, 2023 as follows:

Governmental Activities:

Restricted for:

Donations	\$ 305,539
Food Service Program	53,937
Community Service Programs	143,959
Debt Service	3,742,962
Capital Expansion	20,397
Total Governmental Activities Restricted	4,266,794
Net Position	\$ 4,266,794
Total Restricted Net Position	\$ 4,266,794

NOTE 3 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

B. Contingencies

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Contingencies (Continued)

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

C. Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Property Taxes	\$ 8,986,948	\$ 8,986,948	\$ 8,986,948	\$ -
Other Local Sources	388,700	388,700	516,615	127,915
Interdistrict Sources	790,400	790,400	893,864	103,464
State Sources	3,506,351	3,506,351	3,567,000	60,649
Federal Sources	1,105,401	1,105,401	1,146,521	41,120
Other Sources	30,000	30,000	40,186	10,186
Total Revenues	<u>14,807,800</u>	<u>14,807,800</u>	<u>15,151,692</u>	<u>343,892</u>
EXPENDITURES				
Instruction:				
Regular Instruction	4,493,627	4,493,627	4,410,210	83,417
Vocational Instruction	1,319,567	1,319,567	1,290,263	29,304
Other Instruction	1,192,746	1,192,746	1,199,660	(6,914)
Total Instruction	<u>7,005,940</u>	<u>7,005,940</u>	<u>6,900,133</u>	<u>105,807</u>
Support Services:				
Pupil Services	612,105	612,105	608,908	3,197
Instructional Staff Services	786,637	786,637	673,520	113,117
General Administration Services	396,116	396,116	388,943	7,173
School Administration Services	669,545	669,545	663,764	5,781
Business Services	1,822,809	1,822,809	326,639	1,496,170
Operations and Maintenance of Plant	2,305,033	2,305,033	2,870,217	(565,184)
Pupil Transportation Services	541,401	541,401	487,349	54,052
Central Services	34,550	34,550	42,847	(8,297)
Insurance	166,545	166,545	166,648	(103)
Other Support Services	385,881	385,881	392,736	(6,855)
Total Support Services	<u>7,720,622</u>	<u>7,720,622</u>	<u>6,621,571</u>	<u>1,099,051</u>

See accompanying Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance
	Original	Original		Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Nonprogram:				
General Tuition Payments	\$ 1,049,490	\$ 1,049,490	\$ 1,169,906	\$ (120,416)
Co-Curricular Cooperative Program	2,830	2,830	2,346	484
Adjustments and Refunds	2,735	2,735	2,305	430
Voucher Payments	9,000	9,000	9,920	(920)
Revenue Transits to Others	11,000	11,000	4,890	6,110
Total Nonprogram	<u>1,075,055</u>	<u>1,075,055</u>	<u>1,189,367</u>	<u>(114,312)</u>
 Total Expenditures	 <u>15,801,617</u>	 <u>15,801,617</u>	 <u>14,711,071</u>	 <u>1,090,546</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (993,817)	 (993,817)	 440,621	 1,434,438
 OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,483,057)</u>	<u>(1,483,057)</u>	<u>(1,480,596)</u>	<u>2,461</u>
Total Other Financing Sources (Uses)	<u>(1,483,057)</u>	<u>(1,483,057)</u>	<u>(1,480,596)</u>	<u>2,461</u>
 NET CHANGE IN FUND BALANCE	 (2,476,874)	 (2,476,874)	 (1,039,975)	 1,436,899
 Fund Balance - Beginning of Year	 <u>3,085,809</u>	 <u>3,085,809</u>	 <u>3,085,809</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 608,935</u>	 <u>\$ 608,935</u>	 <u>\$ 2,045,834</u>	 <u>\$ 1,436,899</u>

See accompanying Notes to Required Supplementary Information.

WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND
ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interdistrict Sources	\$ -	\$ -	\$ 32,406	\$ 32,406
Intermediate Sources	8,000	8,000	13,397	5,397
State Sources	680,000	680,000	624,050	(55,950)
Federal Sources	322,771	322,771	212,105	(110,666)
Total Revenues	<u>1,010,771</u>	<u>1,010,771</u>	<u>881,958</u>	<u>(128,813)</u>
EXPENDITURES				
Instruction:				
Special Education Instruction	1,921,925	1,921,925	1,839,833	82,092
Support Services:				
Pupil Services	313,685	313,685	294,994	18,691
Instructional Staff Services	137,030	137,030	137,376	(346)
Pupil Transportation Services	48,800	48,800	48,217	583
Central Services	1,915	1,915	163	1,752
Total Support Services	505,111	505,111	491,231	13,880
Nonprogram:				
Special Education Tuition Payments	39,000	39,000	31,490	7,510
Total Expenditures	<u>2,466,036</u>	<u>2,466,036</u>	<u>2,362,554</u>	<u>103,482</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(1,455,265)	(1,455,265)	(1,480,596)	(25,331)
OTHER FINANCING SOURCES				
Transfers In	1,450,784	1,450,784	1,480,596	29,812
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,450,784</u>	<u>1,450,784</u>	<u>1,480,596</u>	<u>29,812</u>
NET CHANGE IN FUND BALANCE	(4,481)	(4,481)	-	4,481
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ (4,481)</u>	<u>\$ (4,481)</u>	<u>\$ -</u>	<u>\$ 4,481</u>

See accompanying Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS ***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service Cost	\$ 62,455	\$ 61,081	\$ 60,780	\$ 56,723	\$ 66,445	\$ 71,251
Interest	13,751	13,213	29,548	32,604	38,739	35,314
Differences Between Expected and Actual Experience	(206,865)	-	(110,640)	-	(57,624)	-
Changes of Assumptions	(73,462)	-	(128,723)	11,961	(154,314)	(30,535)
Benefit Payments	(23,000)	(79,096)	(137,122)	(119,930)	(131,618)	(156,307)
Net Change in Total OPEB Liability	<u>(227,121)</u>	<u>(4,802)</u>	<u>(286,157)</u>	<u>(18,642)</u>	<u>(238,372)</u>	<u>(80,277)</u>
Total OPEB Liability - Beginning of Year	<u>591,450</u>	<u>596,252</u>	<u>882,409</u>	<u>901,051</u>	<u>1,139,423</u>	<u>1,219,700</u>
Total OPEB Liability - End of Year	<u>\$ 364,329</u>	<u>\$ 591,450</u>	<u>\$ 596,252</u>	<u>\$ 882,409</u>	<u>\$ 901,051</u>	<u>\$ 1,139,423</u>
Covered-Employee Payroll	\$ 6,801,632	\$ 8,407,393	\$ 8,407,393	\$ 8,349,449	\$ 8,349,449	\$ 6,094,419
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.36%	7.03%	7.09%	10.57%	10.79%	18.70%

* The amounts presented for each fiscal year were determined using a measurement date of the end of the prior fiscal year end. Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Plan Year Ending	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 Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.05295540 %	\$ (1,300,730)	\$ 7,267,174	17.90 %	102.74 %
12/31/15	0.05314649	8,636,220	7,703,273	112.11	98.20
12/31/16	0.05465590	450,495	8,145,634	5.53	99.12
12/31/17	0.05602508	(1,663,451)	8,322,992	19.99	102.93
12/31/18	0.05671543	2,017,757	8,661,675	23.30	96.45
12/31/19	0.05570864	(1,796,300)	8,707,068	20.63	102.96
12/31/20	0.05465357	(3,412,098)	8,850,796	38.55	105.26
12/31/21	0.05299737	(4,271,685)	8,844,424	48.30	106.02
12/31/22	0.05074595	2,688,370	8,689,866	(30.94)	95.72

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 511,678	\$ 511,678	\$ -	\$ 7,439,943	6.88 %
6/30/16	535,844	535,844	-	8,025,064	6.68
6/30/17	547,405	547,405	-	8,144,633	6.72
6/30/18	579,668	579,668	-	8,601,139	6.74
6/30/19	576,174	576,174	-	8,717,451	6.61
6/30/20	585,466	585,466	-	8,775,604	6.67
6/30/21	594,451	594,451	-	8,850,796	6.72
6/30/22	573,422	573,422	-	8,844,424	6.48
6/30/23	593,395	593,395	-	8,689,866	6.83

See accompanying Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

There were no changes of benefit terms. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan does not issue separate financial statements.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The District is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

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

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

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement Systems Actuarially Determined Contributions (Continued):

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

The District is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. Budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- 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.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- Once 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.
- 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 in the fund financial statements.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2023.

**WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund in accordance with requirements from the Wisconsin Department of Public Instruction. In accordance with generally accepted accounting principles, these funds are included as part of the general fund in these financial statements. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a U.S. GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education</u>
Revenues:		
Actual Amounts (Budgetary Basis)	\$ 15,151,692	\$ 881,958
Reclassification of Special Education	<u>881,958</u>	<u>(881,958)</u>
Total Revenues	16,033,650	-
Expenditures:		
Actual Amounts (Budgetary Basis)	14,711,071	2,362,554
Reclassification of Special Education	<u>2,362,554</u>	<u>(2,362,554)</u>
Total Expenditures	17,073,625	-
Excess of Revenues Over (Under)		
Expenditures:		
Actual Amounts (Budgetary Basis)	440,621	(1,480,596)
Reclassification of Special Education	<u>(1,480,596)</u>	<u>1,480,596</u>
Excess of Revenues Over (Under) Expenditures	(1,039,975)	-
Other Financing Sources (Uses):		
Actual Amounts (Budgetary Basis)	(1,480,596)	1,480,596
Reclassification of Special Education	<u>1,480,596</u>	<u>(1,480,596)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change In Fund Balance:		
Actual Amounts (Budgetary Basis)	(1,039,975)	-
Fund Balance - Beginning of Year		
Actual Amounts (Budgetary Basis)	<u>3,085,809</u>	<u>-</u>
Fund Balance - End of Year		
Actual Amounts (Budgetary Basis)	<u>\$ 2,045,834</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

**WILMOT UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue			
	Donations	Food Service	Community Service	Cooperative Package
ASSETS				
Cash and Investments	\$ 332,147	\$ 140,269	\$ 43,959	\$ -
Receivables:				
Taxes	-	-	100,000	-
Due from Other Funds	24,290	-	-	12,600
Due from Other Governments	-	3,455	-	8,606
	<u>-</u>	<u>3,455</u>	<u>-</u>	<u>8,606</u>
Total Assets	<u>\$ 356,437</u>	<u>\$ 143,724</u>	<u>\$ 143,959</u>	<u>\$ 21,206</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,199	\$ 89,787	\$ -	\$ -
Due to Other Funds	39,699	-	-	21,206
Total Liabilities	<u>50,898</u>	<u>89,787</u>	<u>-</u>	<u>21,206</u>
FUND BALANCES				
Restricted	<u>305,539</u>	<u>53,937</u>	<u>143,959</u>	<u>-</u>
Total Fund Balances	<u>305,539</u>	<u>53,937</u>	<u>143,959</u>	<u>-</u>
	<u>\$ 356,437</u>	<u>\$ 143,724</u>	<u>\$ 143,959</u>	<u>\$ 21,206</u>
Liabilities and Fund Balances	<u>\$ 356,437</u>	<u>\$ 143,724</u>	<u>\$ 143,959</u>	<u>\$ 21,206</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS	Nonreferendum	Capital Expansion	
Cash and Investments	\$ 5,742	\$ 26,076	\$ 548,193
Receivables:			
Taxes	89,000	-	189,000
Due from Other Funds	41,000	-	77,890
Due from Other Governments	-	-	12,061
	<u>\$ 135,742</u>	<u>\$ 26,076</u>	<u>\$ 827,144</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 5,679	\$ 106,665
Due to Other Funds	-	-	60,905
Total Liabilities	<u>-</u>	<u>5,679</u>	<u>167,570</u>
FUND BALANCES			
Restricted	135,742	20,397	659,574
Total Fund Balances	<u>135,742</u>	<u>20,397</u>	<u>659,574</u>
Liabilities and Fund Balances	<u>\$ 135,742</u>	<u>\$ 26,076</u>	<u>\$ 827,144</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue			
	Donations	Food Service	Community Service	Cooperative Package
REVENUES				
Property Taxes	\$ -	\$ -	\$ 100,000	\$ -
Other Local Sources	340,790	596,348	40,943	-
Interdistrict Sources	-	-	-	8,606
Federal Sources	-	4,944	-	-
Total Revenues	<u>340,790</u>	<u>601,292</u>	<u>140,943</u>	<u>8,606</u>
EXPENDITURES				
Instruction:				
Vocational Instruction	8,925	-	-	-
Other Instruction	315,510	-	-	-
Total Instruction	<u>324,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:				
Pupil Services	-	-	-	8,606
Instructional Staff Services	207	-	-	-
School Administration Services	-	-	52,242	-
Operations and Maintenance of Plant	1,672	40,000	4,741	-
Food Services	-	565,894	-	-
Total Support Services	<u>1,879</u>	<u>605,894</u>	<u>56,983</u>	<u>8,606</u>
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Community Service	-	-	51,471	-
Nonprogram:				
Post Secondary Scholarship	26,500	-	-	-
Total Expenditures	<u>352,814</u>	<u>605,894</u>	<u>108,454</u>	<u>8,606</u>
NET CHANGE IN FUND BALANCES	(12,024)	(4,602)	32,489	-
Fund Balances - Beginning of Year	<u>317,563</u>	<u>58,539</u>	<u>111,470</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 305,539</u>	<u>\$ 53,937</u>	<u>\$ 143,959</u>	<u>\$ -</u>

**WILMOT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Nonreferendum	Capital Expansion	
REVENUES			
Property Taxes	\$ 89,000	\$ -	\$ 189,000
Other Local Sources	1,033	33	979,147
Interdistrict Sources	-	-	8,606
Federal Sources	-	-	4,944
Total Revenues	<u>90,033</u>	<u>33</u>	<u>1,181,697</u>
EXPENDITURES			
Instruction:			
Vocational Instruction	-	-	8,925
Other Instruction	-	-	315,510
Total Instruction	<u>-</u>	<u>-</u>	<u>324,435</u>
Support Services:			
Pupil Services	-	-	8,606
Instructional Staff Services	-	-	207
School Administration Services	-	-	52,242
Operations and Maintenance of Plant	-	5,680	52,093
Food Services	-	-	565,894
Total Support Services	<u>-</u>	<u>5,680</u>	<u>679,042</u>
Debt Service:			
Interest and Fiscal Charges	89,000	-	89,000
Community Service	-	-	51,471
Nonprogram:			
Post Secondary Scholarship	-	-	26,500
Total Expenditures	<u>89,000</u>	<u>5,680</u>	<u>1,170,448</u>
NET CHANGE IN FUND BALANCES	1,033	(5,647)	11,249
Fund Balances - Beginning of Year	<u>134,709</u>	<u>26,044</u>	<u>648,325</u>
FUND BALANCES - END OF YEAR	<u>\$ 135,742</u>	<u>\$ 20,397</u>	<u>\$ 659,574</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilmot Union High School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Wilmot Union High School District's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

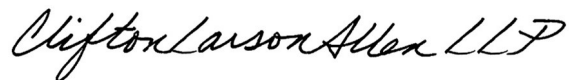
As part of obtaining reasonable assurance about whether Wilmot Union High School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Wilmot Union High School District’s Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 15, 2023

FEDERAL AND STATE AWARDS



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

Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

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

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

Basis for Opinion on Each Major Federal and Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which are required to be reported in accordance with the Uniform Guidance and *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal and major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Wilmot Union High School District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Wilmot Union High School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

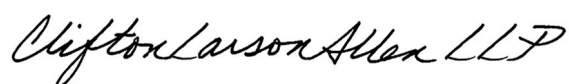
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002, to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Wilmot Union High School District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Wilmot Union High School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 15, 2023

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Child Nutrition Cluster								
Special Milk Program for Children	10.556	WI DPI	2021-306545-DPI-SMP-548	\$ -	\$ 1,489	\$ 3,455	\$ 4,944	\$ -
Total U.S. Department of Agriculture				-	1,489	3,455	4,944	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2021-306545-TIA-141	(73,239)	140,736	47,361	114,858	-
Special Education Cluster								
Special Education Grants to States	84.027	WI DPI	2021-306545-DPI-IDEA-F-341	(100,258)	100,258	207,363	207,363	-
Total Special Education Grants to States				(100,258)	100,258	207,363	207,363	-
Carl Perkins Act Formula Allocation Grant	84.048	WI DPI	2021-306545-CTE-400	(8,770)	8,770	19,636	19,636	-
Improving Teacher Quality State Grants	84.367	WI DPI	2021-306545-TIA-365	(8,223)	8,223	11,056	11,056	-
Title IV-A Student Support and Acad Enrich Grant	84.424	WI DPI	2021-306545-TIVA-DPI-381	(10,000)	19,177	-	9,177	-
COVID 19: Elementary and Secondary School Emergency Relief II	84.425D	WI DPI	2022-306545-DPI-ESSERFII-163	(259,042)	259,042	29,828	29,828	-
COVID 19: Elementary and Secondary School Emergency Relief III	84.425D	WI DPI	2022-306545-DPI-ESSERFIII-165	-	-	813,381	813,381	-
Total U.S. Department of Education				(459,532)	536,206	1,128,625	1,205,299	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicaid Cluster								
Medical Assistance Program	93.778	WI DHS	44202800	(2,750)	37,888	3,341	38,479	-
Total U.S. Department of Health and Human Services				(2,750)	37,888	3,341	38,479	-
Total Federal Awards				<u>\$ (462,282)</u>	<u>\$ 575,583</u>	<u>\$ 1,135,421</u>	<u>\$ 1,248,722</u>	<u>\$ -</u>

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Federal Sources	\$ 1,363,570
Less: Other Grants Not Subject to Single Audit	(6,461)
Less: Governors CRF Funding	(85,863)
Less: Get Kids Ahead	(22,524)
Total Expenditures of Federal Awards	<u>\$ 1,248,722</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Pass-Through Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	306545-100	\$ -	\$ 614,496	\$ -	\$ 614,496	\$ -
Special Education and School Age Parents	255.101	CESA #2	N/A	-	10,244	3,153	13,397	-
Total Special Education and School Age Parents				-	624,740	3,153	627,893	-
Common School Fund Library Aid	255.103	Direct Program	306545-104		73,917	-	73,917	-
General Transportation Aid	255.107	Direct Program	306545-102		26,936	-	26,936	-
Equalization Aids	255.201	Direct Program	306545-116		2,166,490	-	2,166,490	-
General Equal Special Adjustment	255.203	Direct Program	Unknown		463,843	-	463,843	-
Aid for School Mental Health Programs	255.227	Direct Program	306545-181	(16,295)	16,295	-	-	-
Peer Review and Mentoring	255.301	Direct Program	Unknown	(15,450)	15,450	-	-	-
Educator Effective Evaluation System	255.940	Direct Program	306545-154		6,160	-	6,160	-
Per Pupil Aid	255.945	Direct Program	306545-113		693,028	-	693,028	-
Career and Technical Education Incentive Grants	255.950	Direct Program	306545-171	-	50,035	-	50,035	-
Special Education Transition Incentive Grant	255.960	Direct Program	306545-168	-	9,554	-	9,554	-
Total Department of Public Instruction				(31,745)	4,146,448	3,153	4,117,856	-
Total State Awards				<u>\$ (31,745)</u>	<u>\$ 4,146,448</u>	<u>\$ 3,153</u>	<u>\$ 4,117,856</u>	<u>\$ -</u>

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

State Sources	\$ 4,191,050
Less: State Sources not Considered State Awards	
State Tax Computer Aid	(2,732)
Personal Property Tax Aid	(75,163)
State Revenue through local units- PILOT	(8,696)
State Awards Included in:	
Interdistrict Sources- CESA #2	13,397
Total Expenditures of State Awards	<u>\$ 4,117,856</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

WILMOT UNION HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedules") includes the federal and state award activity of the Wilmot Union High School District under programs of the federal and state government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State Single Audit Guide*, issued by the Wisconsin Department of Administration. Because the Schedules presents only a selected portion of the operations of the Wilmot Union High School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Wilmot Union High School District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2023 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *Wisconsin State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2022 - 2023 eligible costs under the State Special Education Program as reported by the District are \$2,054,371. Compiled information required by compliance requirement 1-1 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

NOTE 4 OVERSIGHT AGENCIES

The Wisconsin Department of Public Instruction is the state oversight agency for the District.

NOTE 5 PASS-THROUGH ENTITIES

Federal and state awards have been passed through the following entities:

WI DHS – Wisconsin Department of Health Services
WI DPI – Wisconsin Department of Public Instruction

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of the Auditors’ Results

Basic Financial Statements

- | | | | |
|--|---------------|-----|-----------------------------|
| 1. Type of auditors’ report issued: | Unmodified | | |
| 2. Internal control over financial reporting: | | | |
| • Material weakness(es) identified? | _____ x _____ | Yes | _____ no |
| • Significant deficiency(ies) identified? | _____ | Yes | _____ x _____ none reported |
| 3. Noncompliance material to basic financial statements noted? | _____ | Yes | _____ x _____ no |

Federal Awards

- | | | | |
|---|------------|-----|-----------------------------|
| 1. Internal control over major federal programs: | | | |
| • Material weakness(es) identified? | _____ | Yes | _____ x _____ no |
| • Significant deficiency(ies) identified? | _____ | Yes | _____ x _____ none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs | Unmodified | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? | _____ | Yes | _____ x _____ no |

Identification of Major Federal Programs

Assistance Listing Number(s)
84.425D

Name of Federal Program or Cluster
COVID 19: Elementary and Secondary School
Emergency Relief II

Dollar threshold used to determine between Type A and Type B programs:

Federal Awards \$750,000

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section I – Summary of the Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over major state programs:

- Material weakness(es) identified? _____ Yes x no
- Significant deficiency(ies) identified? x Yes _____ none reported

2. Type of auditors’ report issued on compliance for major state programs Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with the Wisconsin State Single Audit Guide? x Yes _____ no

Identification of Major State Programs

State ID Number(s)	Name of State Program or Cluster
N/A	Department of Public Instruction General Requirements
255.201	General Aids Program Equalization Aids
255.945	Per Pupil Aid

Dollar threshold used to determine between Type A and Type B programs:

State Awards \$250,000

Auditee qualified as low-risk auditee? _____ Yes x no

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023-001

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The District relies on its independent audit firm to prepare its financial statements. During the preparation of the financial statements, several audit adjustments were made to properly state the financial records of the District.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: The District engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the District's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the District has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the District's activities and operations.

Effect: Without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Cause: The District's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the District's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Repeat finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

Recommendation: The District should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Views of responsible officials and planned corrective actions: Management will continue to rely on the audit firm to draft the financial statements and the related notes to the financial statements, and will review, approve, and accept responsibility for the annual financial statements prior to their issuance.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Federal and State Award Findings and Questioned Costs

2023-002

State Agency:	Wisconsin Department of Public Instruction
State Program Title:	Community Programs and Services
State ID Number:	N/A
Award Period:	July 1, 2022 through June 30, 2023
Type of Finding:	Significant Deficiency in Internal Control over Compliance and Other Matter

Criteria or specific requirement: Wisconsin Department of Public Instruction (DPI) accounting and financial reporting guidelines for Community Service require that eligible expenditures are supported by proper documentation.

Condition: During testing, we noted that some documentation for expenditures identified as eligible were not available for review.

Questioned costs: None noted.

Context: For 2 of the 25 payroll transactions selected as part of our statistically valid sample the District was not able to provide support for the employees approved rate of pay.

Cause: The District did not design and implement controls to ensure that all required documentation supporting claimed costs were retained.

Effect: The District could claim expenditures that are not eligible.

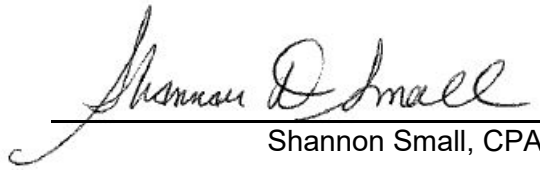
Repeat Finding: The finding is not a repeat finding.

Recommendation: We recommend the District design and implement procedure to ensure proper documentation for all eligible expenditures in accordance with Wisconsin Department of Public Instruction guidelines.

Views of responsible officials: There is no disagreement with the audit finding.

**WILMOT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section IV – Other Issues

- | | |
|--|---|
| 1. Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>Wisconsin Public School District Audit Manual</i> : | |
| a. Department of Health Services | No |
| b. Department of Public Instruction | Yes |
| 3. Was a management letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. Name and signature of signing director | 
Shannon Small, CPA |
| 5. Date of report | December 15, 2023 |



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.