

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wausau School District
Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wausau School District, Wisconsin, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Wausau School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wausau School District, as of June 30, 2024, 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* (GAS), 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 Wausau 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 Wausau School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wausau School District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required

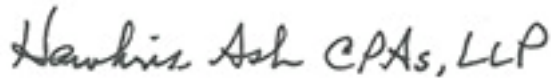
by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024 on our consideration of the Wausau School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wausau School District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
November 21, 2024

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

This Discussion and Analysis of the Wausau School District's financial information provides an overall review of financial activities for the fiscal year. The analysis generally focuses on school district financial performance as a whole.

FINANCIAL HIGHLIGHTS

- **The District's overall financial position, as reflected in total net assets, increased by \$20.5 million to \$155.2 million. The financial position includes the Wisconsin Retirement System (WRS) asset, deferred inflows of resources, and deferred outflows of resources. Some of the major items that affected the overall financial position are:**
 - Long term liabilities decreased by 19.5 million. (Increase to net position)
 - Capital assets less depreciation increased 38.2 million. (Increase to net position)
 - Wisconsin Retirement System asset decreased 12.6 million (Decrease to net position)
 - Other Post Employment benefits inflows and outflows increased 1.4 million (Increase to net position)
 - Governmental Fund Balance decreased by 26.1 million. (Decrease to net position)

- **The District's total Governmental Fund balance Decreased \$26.1 million to \$111.0 million.**
 - General Fund balance decreased \$2.0 million to \$30.3 million which is 23.86% of 2023-24 expenditures. Major positive and negative impacts to fund balance can be attributed to the following:
 - Health Insurance claims were higher than expected. (Negative)
 - Other Insurances were less than expected. (Positive)
 - Salary expenses were less than expected. (Positive)
 - Transportation and fuel costs were less than expected. (Positive)
 - Open enrollment expenses were higher than expected. (Negative)
 - Private School Voucher Program was more than expected. (Negative)
 - School Based Mental Health aid was high than expected. (Positive)
 - Special Project Grants were more than expected (Positive)
 - Interest on Investments was more than expected. (Positive)
 - Debt Service fund balance decreased \$6.0 million. Revenue from the debt service levy and interest income was less than the debt service payments.
 - Capital Projects fund balance decreased \$18.1 million.
 - Other Governmental Funds increased. Food Service Fund increased, Non-Scholarship Donation Fund which now includes Fund 21 increased, Non-referendum debt decreased, Community Service Fund decreased and Long-term Capital Improvement Trust increased.

- Long -Term liabilities decreased by \$19.5 million.
 - General obligation debt and premium decreased \$6.5 million.
 - Accrued Interest decreased \$.1 million
 - WRS net pension decreased \$13.2 million.
 - Net OPEB obligation increased \$.4 million.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

District Wide Financial Statements

- The district-wide financial statements are the *statement of net assets* and *statement of activities*. These statements present an aggregate view of the district's finances in a manner similar to private-sector business. Both statements include functions that are supported principally by property and intergovernmental revenues, called *governmental activities*. Functions that are intended to recover all or a significant portion of costs through user fees and charges (*business type activities*) are not included because the district does not have any of these activities.
- The *statement of net assets* presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.
- The *statement of activities* presents information showing how the district's net assets changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.
- The district-wide financial statements are shown on pages 18 and 19 of this report.

Fund Financial Statements

- The district also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The district, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluation of a district's near-term financing requirements.
- There are two fund financial statements, *the balance sheet* and *the statement of revenues, expenditures and changes in fund balances*. Generally, fund statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance.
- Because the focus of fund financial statements is narrower than that of the district-wide statements it is useful to make comparison between the information presented. By doing so readers may better understand the long-term implication of the government's near-term financial decisions. A reconciliation to facilitate this comparison is provided either at the bottom of the governmental funds statement or as a separate statement.
- The district has two kinds of funds: *governmental*, and *fiduciary*. *Governmental funds* include the district's five permanent funds (general, special education, debt service, food service and Employee Benefit Trust Fund) and individual capital project funds as needed. The only *fiduciary funds* for the district serve as agency funds for student activity funds.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balance* for the general fund, debt service fund and the capital projects fund as these are considered to be major funds. Data for non- major funds is combined and provided in a separate column. The governmental fund financial statements are on pages 20 and 21 of this report. A detailed balance sheet for nonmajor governmental funds is on page 57 of this report.
- The district serves as a trustee, or *fiduciary*, for student activity funds. The assets of these organizations do not directly benefit nor are under the direct control of the district. The district's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the district-wide financial statements because the district cannot use these assets to finance its operations. *Fiduciary* fund statements are presented on page 23 and 24.
- The district adopts an annual appropriated budget for its general fund and special education fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The budgetary comparison statements are on page 50.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 49 of this report.

The major features of the district's financial statements, including the portion of the activities reported and the type of information contained is shown in the table below.

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

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

FINANCIAL ANALYSIS

The District as a Whole

Net position. Table 1 below, provides a summary of the district's net position for the year ended June 30, 2024.

Table 1 Condensed Statement of Net Position June 30, 2024	
Current assets	\$ 126,898,151
Capital assets	169,912,874
Deferred outflows of resources	<u>49,681,977</u>
Total assets and deferred outflows of resources	346,493,002
Current liabilities	24,008,676
Noncurrent portion of long-term obligations	<u>130,535,055</u>
Total liabilities	154,543,731
Deferred inflows of resources	
Wisconsin Retirement Systems pension	<u>36,763,927</u>
Total deferred inflows of resources	36,763,927
Net position	
Invested in capital assets, net of related debt	123,973,748
Restricted	82,830,739
Unrestricted	<u>(51,619,143)</u>
Total net position	<u>\$ 155,185,344</u>
Total liabilities and net position	<u>\$ 346,493,002</u>

In governmental activities, total assets decreased \$14.3 million.

- Current Assets decreased \$26.5 million. Major positive and negative impacts to Current Assets can be attributed to the following:
 - Decrease in Cash and Investments \$24.3 million. (Negative)
 - Decrease in Due from Other Governments \$2.9 million. (Negative)
 - Other Assets increased \$.6 million (Positive)
- Capital Assets increased \$38.2 million due to additional assets, leases and SBITA software.
- Deferred Outflows of Resources decreased \$26 million due to Wisconsin Retirement System net pension. (See Note 1)

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

**Table 2
Change in Net Position
June 30, 2024**

<u>Revenues</u>	
Program revenues	
Charges for services	\$ 1,383,323
Operating grants & contributions	13,073,518
General revenues	
Property taxes	49,636,596
State formula aid	89,094,642
Other	<u>8,264,762</u>
Total revenues	<u>161,452,841</u>
<u>Expenses</u>	
Instruction	70,743,880
Pupil & instructional services	15,892,941
General, building administration	6,874,167
Business administration, central services	39,080,833
Interest	4,679,184
Other support services	<u>3,727,476</u>
Total expenses	<u>140,998,481</u>
Change in net position from operations	\$ 20,454,360
Net position - beginning of year	<u>\$ 134,730,984</u>
Net position - end of year	<u><u>\$ 155,185,344</u></u>

As shown, general revenues provide about 91.0% of the funding for governmental activities. State aid alone, accounts for 55.2% of the funding for governmental activities, while property taxes account for 30.7%.

- Program revenues, in the form of charges for services and operating grants and contributions, accounted for \$14.5 million of the total revenues of \$161.5 million.
- General revenues for operations accounted for \$147.0 million. Local property taxes increased, state aid increased and other revenues increased.

Through effective management of resources and a continued effort to secure additional funding sources the district improved its financial position.

- The district continued to apply for and receive competitive federal and state grants in 2024. These grants allow the district to maintain reduced class sizes and provide additional services to students during regular instruction and through after school programs.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

- The district summer school program continues to increase offerings to meet the needs of all students.
- The health insurance and wellness committees continue to research ways to reduce costs.
- The district implemented and maintains four charter schools.
- Cash-flow is monitored and investments with Board approved entities are made to maximize interest income when funds are available.
- The District has maintained an adequate fund balance. The fund balance has helped the District keep a higher bond rating and avoid short term borrowing.
- The district continues to run successful 4K and Early Childhood programs.

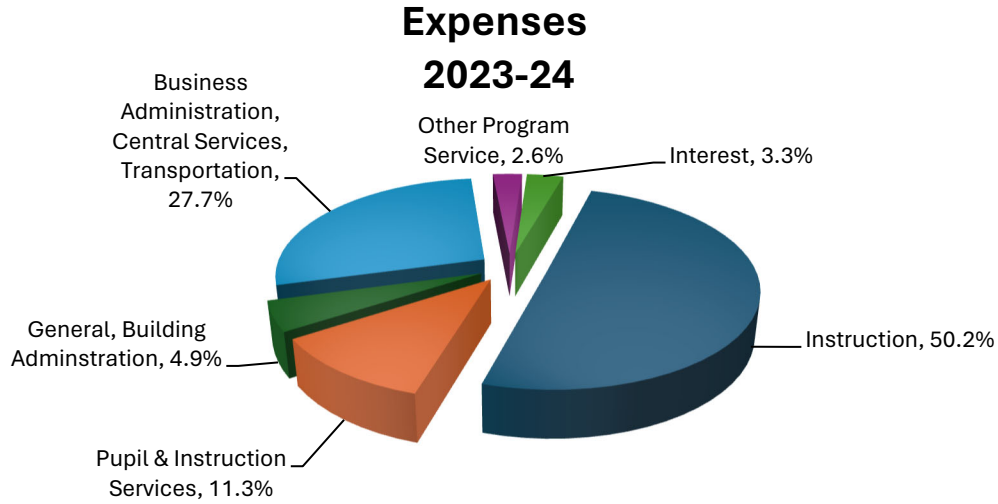
Governmental Activities

Net cost of governmental activities. Tab 3 reports the cost of seven major district activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

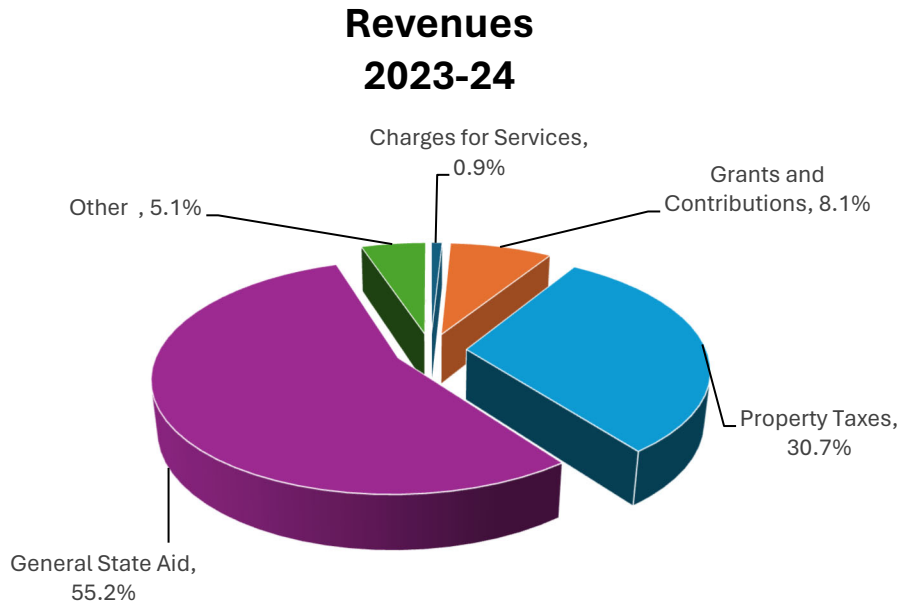
Table 3		
Net Cost of Governmental Activities		
June 30, 2024		
	<u>Total Costs of Services</u>	<u>Net Costs of Services</u>
Instruction	\$ 70,743,880	\$ 62,104,045
Pupil & instructional services	15,892,941	15,344,619
General, building administration	6,874,167	6,874,167
Business administration, central services	39,080,833	33,812,149
Other support services	3,727,476	3,727,476
Interest	4,679,184	4,679,184
Total expenses	<u>\$ 140,998,481</u>	<u>\$ 126,541,640</u>

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

- Expenses by major function are illustrated below.



- The revenue graph below shows that General State Aid and Property Taxes account for the greatest portion of revenues for the district.



Governmental Funds

In governmental funds, total fund balance decreased by \$26.1 million.

- General Fund balance decreased \$2.0 million due to higher insurance costs, higher open enrollment expenses, higher transportation and fuel costs, and lower open enrollment revenues. The decreases were offset by lower salary, increased revenue from School Based Mental Health aid, and Interest on investments.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

- Debt Service fund balance decreased \$6.0 million. The balance decreased due to the difference in the amount levied (calendar year) and the amount spent (fiscal year).
- Capital Projects Fund decreased \$18.1 million.

Budget Variances

The Budgetary Comparison Schedule for the General Fund - Budget and Actual, found on page 50, shows variances between the final budget and actual revenues/expenditures. The variance between the final revenue budget and actual revenues was -1.21%. Significant items that caused this variance were as follows:

- Other Local Sources – Interest on investments was higher than expected and student device insurance and fees, contracted transportation, and building rental revenues were lower than expected.
- State Sources – Common School, School Based Mental Health aids were higher than budgeted.
- Federal Sources – There were fewer Esser Funds expended in 23-24 than expected
- Other Sources – E-rate reimbursements, Focus on Energy rebates were higher than budgeted.

The variance between the final expenditure budget and actual expenditures was -0.17%. Significant items that caused this variance were as follows:

- Regular Instruction – Esser expenditures were less than expected and open positions were more than expected.
- Other Instruction – Federal and State grants spent less than expected.
- Instructional Staff Services – Federal grants expenditures were less than expected.
- General Administration Services – Legal fees and the facilities study were more than expected.
- Central Services – Federal grants expenses were under budget.
- Insurance – Liability Insurance and Workers Compensation expenditures were less than expected.
- Other Support Services – WiFi access and technology hardware expenditures were under budget while district dues and fees were over budget.
- Debt Service – Subscription-Based IT Agreements (SBITA) were less than expected.
- Transfer To/From Other Funds – Special Education Fund transfer was more than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the district had invested \$236.9 million in a broad range of capital assets, including buildings, sites, library books, and equipment. This amount represents a net increase of \$41.4 million over the prior fiscal year. Additional information about capital assets can be found in NOTE 3, page 31-33. Total accumulated depreciation on these assets is \$67.8 million resulting in capital assets, net of depreciation, of \$169.1 million.

- Capital assets being depreciated increased due to equipment purchased, land improvements and building improvements.
- Accumulated depreciation increased by \$3.0 million. The District recognized depreciation expense and removed equipment that was disposed.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

**Table 4
Capital Assets**

	<u>2023</u>	<u>2024</u>	<u>% Change</u>
Land	\$ 7,399,045	\$ 7,399,045	0%
Construction in progress	<u>18,026,278</u>	<u>58,937,721</u>	<u>227%</u>
Total capital assets not being depreciated	<u>\$ 25,425,323</u>	<u>\$ 66,336,766</u>	<u>161%</u>
Land improvements	\$ 2,889,071	\$ 3,120,845	8%
Buildings	\$ 149,834,398	\$ 149,881,973	0%
Equipment & furniture	\$ 17,297,393	\$ 17,540,231	1%
Accumulated depreciation	<u>\$ (64,792,410)</u>	<u>\$ (67,765,041)</u>	<u>5%</u>
Total capital assets being depreciated less accumulated depreciation	<u>\$ 105,228,452</u>	<u>\$ 102,778,008</u>	<u>-2%</u>
Total	<u>\$ 130,653,775</u>	<u>\$ 169,114,774</u>	<u>29%</u>

Long-Term Obligations

The District's long term obligations consist of long-term General Obligation Debt for buildings and sites and future obligations for post-employment benefits. At year-end, the district had \$137.3 million in long-term obligations. This is a decrease of \$19.4 million. The decrease is due to reduced capital Wisconsin Retirement System net pension of \$13.2 million, general obligation debt of \$6.2 million, issuance premium of \$.3 million, and increased net OPEB obligation of \$.3 million.

General Obligation/Refunding Bonds

This category represents long-term debt for building and site construction and renovations. Total General Obligation Debt as of June 30, 2024 was \$102.2 million. The legal debt limit in accordance with section 67.03(1)(b) of the Wisconsin statutes is \$561.7 million (10% of the 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue). More information on general obligation/refunding bonds can be found in Note 4 on pages 33-34.

In 2015 a referendum authorizing \$29,565,000 was passed. The 2015 referendum authorized construction of additions to G.D. Jones, Hawthorn Hills, Riverview, Thomas Jefferson, Wausau East High School, and Wausau West High School. Capital maintenance projects throughout the District were also authorized.

In 2022 a referendum authorizing \$119,800,000 was passed. The 2022 referendum authorized paying the cost of a school building project consisting of: district-wide safety and security, school updates, building infrastructure, capital maintenance and site improvements; remodeling at all middle and high schools; construction of additions at Horace Mann and John Muir Middle Schools, West and East High Schools and Grant, Riverview, South Mountain and Stettin Elementary Schools; construction of a new School Forest Environmental Learning Center; and acquisition of furnishings, fixtures and equipment.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

The following table projects the future debt mill rate requirements based on existing obligations and assuming the equalized value will increase 10.12% in 2024 and increase 1% in future years.

Table 5 Future Debt Mill Rate (2023-2042) 8 Years Shown		
Current		
Levy Year	Statutory Debt Per Levy Year	Debt Mill Rate
2024	\$ 22,275,000	3.6
2025	\$ 6,833,775	1.09
2026	\$ 6,835,150	1.08
2027	\$ 6,833,125	1.07
2028	\$ 7,901,400	1.23
2029	\$ 7,899,825	1.22
2030	\$ 7,902,450	1.20
2031	\$ 7,988,200	1.19

Post-Employment Benefits

The District's post-employment benefit program provides health and dental insurance to eligible retired employees. The net OPEB obligation account on June 30, 2024 was \$20,367,258. For the year ended June 30, 2024 the District recognized OPEB healthcare expense of \$197,756.

Factors Bearing on the District's Future

Currently known circumstances that may impact the District's financial status in the future are:

- The current economic conditions and uncertainties make it a challenge to plan for the future. Funding in future years, property values, retirements, and employees' salary and benefits are factors that are hard to predict. The District is continuing to work on compensation process for all employee groups.
- Prepaying debt through defeasance and prepayments is a strategy the District has used to maintain a stable tax rate while saving the District interest payments on callable debt issues. The continuation of this strategy along with the corresponding tax rate will be reconsidered prior to establishing the District tax levy in future years.
- Revenue limit increases have not kept pace with inflation. This causes the District budget reconciliation process to be more of a challenge.
- Shifting student demographics, building capacity, open enrollment fluctuations, expansion of voucher programs and associated funding issues.

**Wausau School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

- A growing list of capital improvements including roofs, windows, and HVAC may be more than the current budget can accommodate. The District continues to take advantage of a revenue limit exemption for energy efficiency projects, and continues to consider a future bond referendum to fund some of these necessary capital improvements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Josh Viegut, Assistant Superintendent of Operations or Noel Tordsen, Supervisor of Financial Services and Data Processing, Wausau School District, 415 Seymour Street, Wausau, WI 54402-0359.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

WAUSAU SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and investments	\$ 110,273,930
Receivables	
Accounts	144,899
Taxes	11,850,287
Interest	544
Due from other governments	4,288,145
Receivable from external parties	340,346
Capital assets (net of accumulated depreciation/amortization)	
Capital assets not being depreciated	66,336,766
Capital assets being depreciated	102,778,008
Leased assets being amortized	461,268
SBITA assets being amortized	336,832
TOTAL ASSETS	<u>296,811,025</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	44,297,413
Wisconsin Retirement System LRLIF	2,091,912
OPEB healthcare	3,292,652
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>49,681,977</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>346,493,002</u>
 LIABILITIES	
Accounts payable	826,197
Accrued liabilities	
Payroll, payroll taxes, insurance	14,478,658
Interest	1,401,054
Due to other governments	804
Payable to external parties	184,013
Deposits payable	331,772
Unearned revenue	34,000
Current portion of long-term obligations	6,752,178
Noncurrent portion of long-term obligations	130,535,055
TOTAL LIABILITIES	<u>154,543,731</u>
 DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	27,794,651
Wisconsin Retirement System LRLIF	2,801,181
OPEB healthcare	6,168,095
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>36,763,927</u>
 NET POSITION	
Net investment in capital assets	123,973,748
Restricted for	
Special revenue	4,121,438
Capital projects	67,628,671
Debt service	8,554,640
Other activities	2,525,990
Unrestricted	(51,619,143)
TOTAL NET POSITION	<u>155,185,344</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u>\$ 346,493,002</u>

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

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	\$ 47,599,844	\$ -	\$ -	\$ (47,599,844)
Vocational instruction	3,026,966	-	-	(3,026,966)
Special instruction	14,688,031	-	8,639,835	(6,048,196)
Other instruction	5,429,039	-	-	(5,429,039)
Total instruction	<u>70,743,880</u>	<u>-</u>	<u>8,639,835</u>	<u>(62,104,045)</u>
Support services				
Pupil services	8,610,234	-	-	(8,610,234)
Instructional staff services	7,282,707	-	548,322	(6,734,385)
General administration services	1,192,819	-	-	(1,192,819)
Building administration services	5,681,348	-	-	(5,681,348)
Business services	27,926,533	1,383,323	3,885,361	(22,657,849)
Central services	1,686,286	-	-	(1,686,286)
Insurance	700,974	-	-	(700,974)
Interest	4,679,184	-	-	(4,679,184)
Other support services	3,727,476	-	-	(3,727,476)
Total support services	<u>61,487,561</u>	<u>1,383,323</u>	<u>4,433,683</u>	<u>(55,670,555)</u>
Non-program transactions	8,767,040	-	-	(8,767,040)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 140,998,481</u>	<u>\$ 1,383,323</u>	<u>\$ 13,073,518</u>	<u>(126,541,640)</u>
General revenues				
Taxes				
				24,595,326
Property taxes, levied for general purposes				24,379,070
Property taxes, levied for debt services				662,200
Property taxes, levied for community services				89,094,642
State and federal aids not restricted to specific functions				4,577,505
Interest and investment earnings				3,648,681
Miscellaneous				38,576
Net gain on disposal of capital assets				<u>146,996,000</u>
Total general revenues				
CHANGE IN NET POSITION				20,454,360
NET POSITION - BEGINNING OF YEAR				<u>134,730,984</u>
NET POSITION - END OF YEAR				<u>\$ 155,185,344</u>

The accompanying notes are an integral part of these statements.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

WAUSAU SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	REFERENDUM APPROVED DEBT SERVICE	OTHER CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 29,313,716	\$ 8,470,303	\$ 65,256,924	\$ 7,232,987	\$ 110,273,930
Receivables					
Accounts	144,899	-	-	-	144,899
Taxes	11,850,287	-	-	-	11,850,287
Interest	544	-	-	-	544
Due from other funds	340,346	-	-	-	340,346
Due from other governments	4,193,936	-	-	94,209	4,288,145
TOTAL ASSETS	45,843,728	8,470,303	65,256,924	7,327,196	126,898,151
LIABILITIES					
Accounts payable	637,466	-	-	188,731	826,197
Accrued payroll liabilities	14,737,306	-	-	73,124	14,810,430
Due to other funds	184,013	-	-	-	184,013
Due to other governments	804	-	-	-	804
Unearned revenue	34,000	-	-	-	34,000
TOTAL LIABILITIES	15,593,589	-	-	261,855	15,855,444
FUND BALANCES					
Restricted	2,525,990	8,470,303	65,256,924	6,577,522	82,830,739
Committed	-	-	-	487,819	487,819
Assigned	27,724,149	-	-	-	27,724,149
TOTAL FUND BALANCES	30,250,139	8,470,303	65,256,924	7,065,341	111,042,707
TOTAL LIABILITIES AND FUND BALANCES	\$ 45,843,728	\$ 8,470,303	\$ 65,256,924	\$ 7,327,196	

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

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

Governmental capital assets	\$ 236,879,815	
Governmental accumulated depreciation	<u>(67,765,041)</u>	169,114,774
Governmental capital lease	\$ 1,408,419	
Governmental accumulated amortization	<u>(947,151)</u>	461,268
Governmental SBITA assets	\$ 764,957	
Governmental accumulated amortization	<u>(428,125)</u>	336,832

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements: 15,793,493

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements: (2,875,443)

Long-term liabilities are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	\$ (102,185,000)	
Premium	(3,957,646)	
Capital leases	(442,801)	
SBITA	(47,181)	
Accrued interest	(1,401,054)	
WRS liability	(10,287,347)	
Net OPEB obligation	<u>(20,367,258)</u>	(138,688,287)

Total net position - governmental activities **\$ 155,185,344**

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

REVENUES	GENERAL FUND	REFERENDUM APPROVED DEBT SERVICE	OTHER CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Property taxes	\$ 24,595,326	\$ 22,275,000	\$ -	\$ 2,766,270	\$ 49,636,596
Other local sources	919,785	576,065	3,344,024	3,884,364	8,724,238
Interdistrict sources	2,219,717	-	-	-	2,219,717
Intermediate sources	1,897	-	-	-	1,897
State sources	85,099,545	-	-	61,798	85,161,343
Federal sources	11,145,525	-	-	3,639,678	14,785,203
Other sources	534,356	-	350,915	-	885,271
TOTAL REVENUES	124,516,151	22,851,065	3,694,939	10,352,110	161,414,265
EXPENDITURES					
Current					
Instruction					
Regular instruction	46,470,704	-	-	1,802,398	48,273,102
Vocational instruction	3,047,947	-	-	35,985	3,083,932
Special instruction	14,874,774	-	-	-	14,874,774
Other instruction	5,479,682	-	-	5,293	5,484,975
Total instruction	69,873,107	-	-	1,843,676	71,716,783
Support services					
Pupil services	8,747,907	-	-	4,747	8,752,654
Instructional staff services	7,304,412	-	-	17,309	7,321,721
General administration services	691,653	-	-	518,785	1,210,438
Building administration services	6,406,180	-	-	-	6,406,180
Business services	19,397,928	-	41,005,185	5,563,033	65,966,146
Central services	1,680,838	-	-	1,418	1,682,256
Insurance	628,119	-	72,855	-	700,974
Other support services	3,178,601	-	350,475	214,352	3,743,428
Total support services	48,035,638	-	41,428,515	6,319,644	95,783,797
Non-program transactions	8,558,830	-	208,210	-	8,767,040
Debt service					
Principal	294,070	23,940,000	-	2,065,000	26,299,070
Interest	23,173	4,901,319	-	149,835	5,074,327
Total debt service	317,243	28,841,319	-	2,214,835	31,373,397
TOTAL EXPENDITURES	126,784,818	28,841,319	41,636,725	10,378,155	207,641,017
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,268,667)	(5,990,254)	(37,941,786)	(26,045)	(46,226,752)
OTHER FINANCING SOURCES (USES)					
Net transfer (to) from other funds	(85,140)	-	-	85,140	-
Capital lease proceeds	291,219	-	-	-	291,219
Sale of capital assets	32,537	-	-	6,039	38,576
Issurance of long-term debt	-	-	19,810,000	-	19,810,000
TOTAL OTHER FINANCING SOURCES (USES)	238,616	-	19,810,000	91,179	20,139,795
NET CHANGE IN FUND BALANCE	(2,030,051)	(5,990,254)	(18,131,786)	65,134	(26,086,957)
FUND BALANCE - BEGINNING OF YEAR	32,280,190	14,460,557	83,388,710	7,000,207	137,129,664
FUND BALANCE - END OF YEAR	\$ 30,250,139	\$ 8,470,303	\$ 65,256,924	\$ 7,065,341	\$ 111,042,707

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds \$ (26,086,957)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported as other expenses in fund statements	\$ 41,724,849	
Depreciation expense reported in the statement of activities	(2,972,631)	
Amortization expense of leased assets in the statement of activities	(283,840)	
Amortization expense of SBITA assets in the statement of activities	<u>(257,821)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		38,210,557

The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability. (20,101,219)

Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes: 1,040,609

Wisconsin Retirement System LRLIF, deferred outflows of resources, liability, and deferred inflows of resources changes: (373,657)

OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes: 1,070,814

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.
Amount of long-term debt principal payments in the current year is: 26,299,070

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.
Amount of interest and other debt costs paid during the current period is \$ 5,074,327
Amount of interest and other debt costs accrued during the current period is (4,679,184)
Interest paid is greater than interest accrued by: 395,143

Change in net position - governmental activities \$ 20,454,360

WAUSAU SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>
ASSETS		
Cash and investments	\$ 391,152	\$ 4,830,441
Accounts receivable	-	157,387
Due from other funds	-	184,013
TOTAL ASSETS	<u>391,152</u>	<u>5,171,841</u>
LIABILITIES		
Deposits payable	-	107,703
Due to other funds	-	340,346
TOTAL LIABILITIES	<u>-</u>	<u>448,049</u>
NET POSITION		
Restricted for		
Postemployment benefits other than pensions	-	4,723,792
Individuals and organizations	<u>391,152</u>	<u>-</u>
TOTAL NET POSITION	<u>391,152</u>	<u>4,723,792</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 391,152</u>	<u>\$ 5,171,841</u>

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	PRIVATE PURPOSE TRUST FUND	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	SCHOLARSHIPS	EMPLOYEE BENEFIT
ADDITIONS		
Investment income	\$ 10,745	\$ 184,078
Contributions	11,382	2,435,641
TOTAL ADDITIONS	22,127	2,619,719
 DEDUCTIONS		
Disbursements	27,412	2,209,117
CHANGE IN NET POSITION	(5,285)	410,602
NET POSITION - BEGINNING OF YEAR	396,437	4,313,190
NET POSITION - END OF YEAR	\$ 391,152	\$ 4,723,792

The accompanying notes are an integral part of these statements.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The District is organized as a common school district governed by an elected nine-member school board. The District operates grades kindergarten through grade 12. The District is comprised of all or parts of nine taxing districts.

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

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

Basis of Presentation

District-Wide Statements

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

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

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

The District has two fiduciary funds which account for an employee benefit trust and a private purpose trust.

Measurement Focus and Basis of Accounting

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

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

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

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

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

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

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or 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. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2023 tax levy is used to finance operations of the District's fiscal year ended June 30, 2024. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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 such allowance would not be material.

Due to/Due from Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

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

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

Capital Assets - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated acquisition value at the date of donation.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land improvements	\$ 5,000	Straight-line	10-20 years
Buildings	\$ 5,000	Straight-line	75 years
Equipment	\$ 5,000	Straight-line	5-20 years

Leases - The District is a lessee because it leases capital assets from other entities. The lease liability is measured using the present value of payments to be made during the lease term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the lease term or the useful life.

Subscription-Based Information Technology Arrangements (SBITA) - The SBITA liability is measured using the present value of payments to be made during the subscription term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the term or the useful life.

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

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

Compensated Absences - Under terms of employment, employees are granted sick leave and vacations in varying amounts. The District's policy generally does not allow accumulated employee benefits to vest. Unused accumulated employee benefits are forfeited upon retirement or termination of employment, except in cases of voluntary early retirement.

Pension - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense (revenue). Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

Other Post-Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense (revenue). Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has three types of items, Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

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

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

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

the governing body. The Board of Education has authorized the Supervisor of Financial Services to assign fund balances through its financial management policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against unassigned fund balance, then assigned fund balance, then committed fund balance and lastly to restricted fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

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

As of June 30, 2024, the District had the following investments:

<u>Investment</u>	<u>Weighted average maturities</u>	<u>Fair value</u>
OPEB - BMO Harris Bank	Less than one year	\$ 4,830,441
State of Wisconsin Investment Pool	Less than one year	6,482
Wisconsin Investment Trust	Less than one year	714,844
Wisconsin Investment Series Cooperative	Less than one year	71,005,769
Certificates of deposit	Less than one year	718,185
Total		<u>\$77,275,721</u>

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2024, the Pool's fair value was 100 percent of book value.

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

- 1) OPEB - BMO Harris Bank values are determined based on published market quotations (level 2 inputs).
- 2) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 3) Wisconsin Investment Trust is determined based on published market quotations (level 1 inputs).
- 4) Wisconsin Investment Series Cooperative is determined based on published market quotations (level 1 inputs).

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 2 - Cash and Investments - Continued

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

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

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. The State of Wisconsin Investment Pool, Wisconsin Investment Trust, and Wisconsin Investment Series Cooperative are not rated.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the District's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2024, \$36,916,651 of the District's bank balance of \$39,786,556 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by U.S. Government of municipal securities held by the bank in the bank's name and a letter of credit. There were zero deposits that were uninsured and uncollateralized.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 7,399,045	\$ -	\$ -	\$ 7,399,045
Construction in progress	18,026,278	40,911,443	-	58,937,721
Total capital assets not being depreciated	<u>25,425,323</u>	<u>40,911,443</u>	<u>-</u>	<u>66,336,766</u>
Capital assets being depreciated:				
Land improvements	2,889,071	231,774	-	3,120,845
Buildings and improvements	149,834,398	47,575	-	149,881,973
Equipment	17,297,393	242,838	-	17,540,231
Total capital assets being depreciated	<u>170,020,862</u>	<u>522,187</u>	<u>-</u>	<u>170,543,049</u>

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 3 - Capital Assets - Continued

Less accumulated depreciation for:

Land improvements	(1,631,185)	(103,160)	-	(1,734,345)
Buildings and improvements	(49,136,819)	(2,312,383)	-	(51,449,202)
Equipment	(14,024,406)	(557,088)	-	(14,581,494)
Total accumulated depreciation	<u>(64,792,410)</u>	<u>(2,972,631)</u>	-	<u>(67,765,041)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>105,228,452</u>	<u>(2,450,444)</u>	-	<u>102,778,008</u>

Capital assets, net of accumulated depreciation	<u>\$ 130,653,775</u>	<u>\$38,460,999</u>	<u>\$ -</u>	<u>\$169,114,774</u>
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Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 21,764
Vocational instruction	8,828
Special education instruction	2,998
Other instruction	1,986
Pupil services	156
Instructional staff services	2,237
General administration services	138
Building administration services	2,571
Business services	2,908,091
Central services	23,862
Total	<u>\$ 2,972,631</u>

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets being amortized:				
Leased equipment	\$ 1,542,788	\$ 291,219	\$ (425,588)	\$ 1,408,419
SBITA asset	<u>856,451</u>	<u>-</u>	<u>(91,494)</u>	<u>764,957</u>
Total capital assets being amortized	<u>2,399,239</u>	<u>291,219</u>	<u>(517,082)</u>	<u>2,173,376</u>
Less accumulated amortization for:				
Leased equipment	(1,088,899)	(283,840)	425,588	(947,151)
SBITA asset	<u>(261,798)</u>	<u>(257,821)</u>	<u>91,494</u>	<u>(428,125)</u>
Total accumulated amortization	<u>(1,350,697)</u>	<u>(541,661)</u>	<u>517,082</u>	<u>(1,375,276)</u>
Total capital assets being amortized, net of accumulated amortization	<u>1,048,542</u>	<u>(250,442)</u>	<u>-</u>	<u>798,100</u>
Capital assets, net of accumulated amortization	<u>\$ 1,048,542</u>	<u>\$ (250,442)</u>	<u>\$ -</u>	<u>\$ 798,100</u>

The District leases copiers, computers, and contracts with various vendors for the right to use their IT software. Amortization expense was charged to the following:

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 3 - Capital Assets - Continued

Regular instruction	\$ 339,604
Special education instruction	44,688
Instructional staff services	96,969
Business services	60,400
Total	<u>\$ 541,661</u>

NOTE 4 - Long-Term Liabilities

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 101,955,000	\$ -	\$ (4,130,000)	\$ 97,825,000	\$ 2,800,000
Notes payable - direct placement	6,425,000	19,810,000	(21,875,000)	4,360,000	2,115,000
Leases	401,754	291,219	(250,172)	442,801	250,044
SBITA	91,079	-	(43,898)	47,181	47,181
Premium	4,267,111	-	(309,465)	3,957,646	309,462
Wisconsin Retirement System					
Net pension liability	19,223,824	-	(14,021,332)	5,202,492	-
LRLIF	4,302,921	781,934	-	5,084,855	-
OPEB healthcare	19,986,686	2,484,646	(2,104,074)	20,367,258	1,230,491
Total	<u>\$ 156,653,375</u>	<u>\$ 23,367,799</u>	<u>\$ (42,733,941)</u>	<u>\$ 137,287,233</u>	<u>\$ 6,752,178</u>

Interest costs incurred during the year totaled \$4,984,937. Total interest paid during the year aggregated \$5,074,327 including \$19,462 for capital leases.

General Obligation Debt - All long-term debt is secured by the full faith and credit and unlimited taxing powers of the District. The long-term debt is expected to be repaid with general property taxes. Long-term debt at June 30, 2024 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	8/4/15	2-5%	3/1/32	\$ 4,210,000
Notes - direct placement	8/4/15	3-4%	3/1/25	1,025,000
Bonds	3/1/16	2.5-2.75%	3/1/35	10,000,000
Notes - direct placement	7/6/17	2-2.1%	3/1/27	3,335,000
Bonds	7/6/22	4-5%	3/1/42	83,615,000
Total General Obligation Debt				<u>\$102,185,000</u>

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 4 - Long-Term Liabilities - Continued

General Obligation Debt - The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$5,617,078,411. The legal debt limit and margin of indebtedness as of June 30, 2024 in accordance with section 67.03(1)(b) of the Wisconsin Statutes, follows:

Debt limit (10% of \$5,617,078,411)	\$ 561,707,841
Amount available in debt service fund	8,554,640
Deduct long-term debt applicable to debt margin	<u>(102,185,000)</u>
Margin of indebtedness	<u>\$ 468,077,481</u>

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

Year Ending	Bonds		Notes Payable - Direct Borrowing and Placement		Total
	Principal	Interest	Principal	Interest	
June 30					
2025	\$ 2,800,000	\$ 4,103,775	\$ 2,115,000	\$ 98,585	\$ 9,117,360
2026	2,945,000	3,963,775	1,110,000	46,035	8,064,810
2027	3,090,000	3,816,525	1,135,000	23,835	8,065,360
2028	4,325,000	3,669,725	-	-	7,994,725
2029	4,530,000	3,483,075	-	-	8,013,075
2030-2034	26,135,000	13,924,348	-	-	40,059,348
2035-3039	31,700,000	8,423,198	-	-	40,123,198
2040-2042	22,300,000	1,856,000	-	-	24,156,000
	<u>\$ 97,825,000</u>	<u>\$ 43,240,421</u>	<u>\$ 4,360,000</u>	<u>\$ 168,455</u>	<u>\$ 145,593,876</u>

Year Ending	Leases		SBITAs		Total
	Principal	Interest	Principal	Interest	
June 30					
2025	\$ 250,044	\$ 17,352	\$ 47,181	\$ 1,922	\$ 316,499
2026	57,517	13,040	-	-	70,557
2027	62,179	8,378	-	-	70,557
2028	67,219	3,338	-	-	70,557
2029	5,842	38	-	-	5,880
	<u>\$ 442,801</u>	<u>\$ 42,146</u>	<u>\$ 47,181</u>	<u>\$ 1,922</u>	<u>\$ 534,050</u>

NOTE 5 - Wisconsin Retirement System

General Information about the Pension Plan

Plan Description - The WRS is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

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>.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

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

During the reporting period, the WRS recognized \$4,638,400 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	13.2%
Protective without Social Security	6.8%	18.1%

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

At June 30, 2024, the District reported a liability (asset) of \$5,202,492 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.34991062%, which was a decrease of 0.01296027% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$3,602,348.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 20,976,397	\$ 27,783,363
Net differences between projected and actual earnings on pension plan investments	18,129,839	-
Changes in assumptions	2,267,616	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	98,087	11,288
Employer contributions subsequent to the measurement date	2,825,474	-
Total	\$ 44,297,413	\$ 27,794,651

\$2,825,474 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ 2,814,932
2026	2,958,179
2027	11,393,694
2028	(3,489,517)
Thereafter	-

Actuarial Assumptions - The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

Asset Allocation Targets and Expected Returns
 As of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3
Inflation Sensitive Assets	19	4.4	1.7
Real Estate	8	5.8	3
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast 2.7%.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (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, 2023. 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

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.8 percent) or 1-percentage point higher (7.8 percent) than the current rate:

	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)	\$ 50,284,599	\$ 5,202,492	\$ (26,343,365)

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

Payables to the Pension Plan -The District reported a payable of \$1,170,573 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post Employment Benefits

Plan Description - The LRLIF is a multiple-employer, defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post employment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided - The LRLIF plan provides fully paid life insurance benefits for post age 64 retired employees and pre-65 retirees who pay for coverage.

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

Contributions - The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with basic coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2024 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 are as listed below:

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$21,904 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEBs

At June 30, 2024, the District reported a liability (asset) of \$5,084,855 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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 OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 1.105246%, which was a decrease of 0.024181% from its proportion measured as of December 31, 2022.

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of \$395,435.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 450,024
Net differences between projected and actual earnings on OPEB plan investments	68,695	-
Changes in assumptions	1,590,587	2,002,307
Changes in proportion and differences between employer contributions and proportionate share of contributions	421,621	348,850
Employer contributions subsequent to the measurement date	11,009	-
Total	\$ 2,091,912	\$ 2,801,181

\$11,009 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (34,486)
2026	40,065
2027	(195,939)
2028	(280,815)
Thereafter	(249,103)

Actuarial Assumptions - The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
WRSE Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

* Based on the Bond Buyer GO 20-Bond Municipal index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
 Asset Allocation Targets and Expected Returns
 As of December 31, 2023

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40	2.32
US Mortgages	Bloomberg US MBS	60	2.52
Inflation			2.3
Long-term Expected Rate of Return			4.25

Single Discount Rate - A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the District's proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
District's proportionate share of the net OPEB liability (asset)	\$ 6,832,211	\$ 5,084,855	\$ 3,751,056

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

NOTE 7 - Interfund Balances and Activity

Interfund receivable and payable balances on June 30, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Employee benefit trust	\$ 340,346
Employee benefit trust	General	<u>184,013</u>
		<u>\$ 524,359</u>

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

Interfund transfers at June 30, 2024 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Non-referendum debt service	\$ 85,140

WAUSAU SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2024

NOTE 7 - Interfund Balances and Activity - Continued

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

NOTE 8 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other Than Pensions

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

Benefits Provided - Administrators at least age 55 on or before December 31 with no less than 10 years of service as an Administrator or 5 years of service as an Administrator and 7 years of service as a Teacher will receive contributions that are 100% of the monthly medical, dental and life insurance premiums of the retiree. The District's contributions towards the retiree's medical and dental benefits shall continue for a period of 10 years; whereas, its contributions towards a retiree's life insurance shall not exceed a period of 5 years or age 65.

Administrators retired prior to July 1, 2005 will have the District pay the full amount of the medical premiums until both the retiree and their spouse reach age 65 which may exceed a 10 year duration.

Teachers hired prior to January 1, 2011, at least age 55 with 10 years of service and whose age was less than 15 years below WRS age eligibility as of December 31, 2005 or at least age 55 with 15 years of service will receive contributions towards their medical premiums. Contributions will be \$400 per month for retirees with single medical coverage and \$980 per month for retirees with family coverage. The District's contributions will continue, frozen at these amounts, for a period of 120 months but not to exceed Medicare eligibility.

In lieu of the District provided post employment benefit described above, teachers hired on or after January 1, 2011 will receive an annual benefit that will be funded during active service. In the event that two teachers employed by the District are married to each other, their benefit may be combined.

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

Inactive employees or beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1,267</u>
Total	<u>1,384</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2024, contribution rates for Plan members were \$0 - \$1,024 per participant per month and \$400 - \$2,327 from the District,

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

depending on the type of retiree plan. Plan members receiving benefits contributed \$448,894 and the District contributed \$1,230,491 to the plan.

Actuarial Assumptions - The net OPEB healthcare liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Amortization Period:	30 years
Long-Term Expected Rate of Return:	4%
Discount Rate:	4.13%
Salary Increases:	3%
Mortality:	2020 WRS Experience Tables
Medical Care Cost Trend:	7% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5%, and level thereafter
Dental Care Cost Trend:	5%

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2023.

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
Fixed Income	2.50%	61%
Cash	-%	7%
Equity	2.16%	32%

Discount Rate - A discount rate of 4.13% was used to measure the total OPEB healthcare liability. The discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Healthcare Liability

	Increase (Decrease)		
	Total OPEB Healthcare Liability	Fiduciary Net Position	Net OPEB Healthcare Liability
	(a)	(b)	(a) - (b)
Beginning balance	\$ 23,969,342	\$ 3,982,656	\$ 19,986,686
Changes for the year:			
Service cost	1,019,364	-	1,019,364
Interest	943,971	-	943,971
Differences between expected and actual experience	241,727	-	241,727
Changes of assumptions or other input	265,565	-	265,565
Contributions - employer	-	1,920,195	(1,920,195)
Net investment income	-	183,879	(183,879)
Benefit payments	(1,759,521)	(1,759,521)	-
Administrative expense	-	(14,019)	14,019
Net changes	711,106	330,534	380,572
Ending balance	\$ 24,680,448	\$ 4,313,190	\$ 20,367,258

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate -

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

	1% Decrease (6% decreasing to 3.5%)	Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1% Increase (8% decreasing to 5.5%)
Net OPEB healthcare liability	\$ 18,792,195	\$ 20,367,258	\$ 22,154,467

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Discount Rate -

The following presents the net OPEB healthcare liability calculated using the discount rate of 4.13 percent, as well as what the net OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Net OPEB healthcare liability	\$ 21,894,322	\$ 20,367,258	\$ 18,914,734

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

For the year ended June 30, 2024, the District recognized OPEB healthcare expense of \$197,756.

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 222,360	\$ 3,321,870
Changes of assumptions or other input	1,726,824	2,846,225
Net difference between projected and actual earnings on OPEB plan investments	112,977	-
Employer contributions subsequent to the measurement date	1,230,491	-
Total	\$ 3,292,652	\$ 6,168,095

\$1,230,491 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (1,600,408)
2026	(422,602)
2027	(264,238)
2028	(393,118)
Thereafter	(1,425,568)

Payables to the OPEB Healthcare Plan -The District reported a payable of zero for the outstanding amount of contributions to the OPEB healthcare plan required for the year ended June 30, 2024.

NOTE 9 - Fund Balance and Net Position

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

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Restricted		
General	Self-insurance	\$ 2,522,724
General	Common School Fund	\$ 3,266
Referendum approved debt service	Principal and interest	\$ 8,470,303
Other capital projects	DPI regulation	\$ 65,256,924
Non-scholarship donation	Specific expenses	\$ 1,635,275
Food service	DPI regulation	\$ 2,486,163
Non-referendum debt service	Principal and interest	\$ 84,337

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 9 - Fund Balance and Net Position - Continued

Long-term capital improvement trust	DPI regulation	\$ 2,371,747
Committed		
Community service	Specific expenses	\$ 487,819
Assigned		
General	Specific expenses	\$ 27,724,149
<u>Governmental Activities</u>	<u>Purpose</u>	<u>Amount</u>
Restricted		
Special revenue	DPI regulation	\$ 4,121,438
Capital projects	DPI regulation	\$ 67,628,671
Debt service	Principal and interest	\$ 8,554,640
Other activities	Self-insurance	\$ 2,522,724
Other activities	Common School Fund	\$ 3,266

NOTE 10 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance except for self-insured health and dental benefits as described in Note 13. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 11 - Commitments and Contingent Liabilities

The District has a service agreement with Cooperative Education Service Agency #9 for services to be provided to the District in 2024-2025. Expected costs are \$374,911.

The District has a transportation agreement for the following school years:

2024-2025	\$	4,316,422
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From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District's attorney that the likelihood is remote that any such claims or proceedings will have a material effect on the District's financial position or results of operations.

NOTE 12 - Limitation of School District Revenue

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

WAUSAU SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 13 - Self-Funded Insurance Program

The District established a self-funded health and dental benefit plan for its employees. The plan administrators are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for an administrative fee. The plan reports on a fiscal year ending June 30, 2024.

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

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

The District has reported a liability of \$4,955,237, which represents reported and unreported claims which were incurred on or before June 30, 2024, but were not paid by the District as of that date. Changes in the claims liability for the years ended June 30, 2024 and June 30, 2023 are as follows:

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
Beginning liability balance	\$ 5,021,358	\$ 4,510,923
Claims and changes in estimates	23,523,777	23,575,730
Claim payments	<u>(23,589,898)</u>	<u>(23,065,295)</u>
Ending liability balance	<u>\$ 4,955,237</u>	<u>\$ 5,021,358</u>

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

The District premium rates were calculated by a third-party administrator for the self-insured health and dental plan. The District did not receive an actuarial certification related to the adequacy of reserves or financial soundness of the plan.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

WAUSAU SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH
	SPECIAL			SPECIAL			SPECIAL			FINAL BUDGET
	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	POSITIVE (NEGATIVE)
REVENUES										
Property taxes	\$ 24,565,622	\$ -	\$ 24,565,622	\$ 24,565,622	\$ -	\$ 24,565,622	\$ 24,595,326	\$ -	\$ 24,595,326	\$ 29,704
Other local sources	630,500	-	630,500	630,500	-	630,500	919,785	-	919,785	289,285
Interdistrict sources	2,201,139	35,000	2,236,139	2,201,139	35,000	2,236,139	2,210,758	8,959	2,219,717	(16,422)
Intermediate sources	-	-	-	-	-	-	1,897	-	1,897	1,897
State sources	79,023,343	5,266,811	84,290,154	79,023,343	5,266,811	84,290,154	79,756,593	5,342,952	85,099,545	809,391
Federal sources	10,482,670	3,639,235	14,121,905	10,482,670	3,639,235	14,121,905	7,857,601	3,287,924	11,145,525	(2,976,380)
Other sources	450,000	-	450,000	450,000	-	450,000	534,356	-	534,356	84,356
TOTAL REVENUES	117,353,274	8,941,046	126,294,320	117,353,274	8,941,046	126,294,320	115,876,316	8,639,835	124,516,151	(1,778,169)
EXPENDITURES										
Current										
Instruction										
Regular instruction	47,596,775	-	47,596,775	47,596,775	-	47,596,775	46,470,704	-	46,470,704	1,126,071
Vocational instruction	2,990,933	-	2,990,933	2,990,933	-	2,990,933	3,047,947	-	3,047,947	(57,014)
Special instruction	-	14,804,465	14,804,465	-	14,804,465	14,804,465	-	14,874,774	14,874,774	(70,309)
Other instruction	5,042,864	-	5,042,864	5,042,864	-	5,042,864	5,479,682	-	5,479,682	(436,818)
Total instruction	55,630,572	14,804,465	70,435,037	55,630,572	14,804,465	70,435,037	54,998,333	14,874,774	69,873,107	561,930
Support services										
Pupil services	5,949,044	2,764,232	8,713,276	5,949,044	2,764,232	8,713,276	5,894,340	2,853,567	8,747,907	(34,631)
Instructional staff services	6,735,005	747,083	7,482,088	6,735,005	747,083	7,482,088	6,597,678	706,734	7,304,412	177,676
General administration services	505,132	-	505,132	505,132	-	505,132	691,653	-	691,653	(186,521)
Building administration services	6,456,428	-	6,456,428	6,456,428	-	6,456,428	6,406,180	-	6,406,180	50,248
Business services	18,389,757	1,059,028	19,448,785	18,389,757	1,059,028	19,448,785	18,155,371	1,242,557	19,397,928	50,857
Central services	1,598,289	5,167	1,603,456	1,598,289	5,167	1,603,456	1,670,563	10,275	1,680,838	(77,382)
Insurance	937,703	-	937,703	937,703	-	937,703	628,119	-	628,119	309,584
Other support services	3,300,328	52,078	3,352,406	3,300,328	52,078	3,352,406	3,151,309	27,292	3,178,601	173,805
Total support services	43,871,686	4,627,588	48,499,274	43,871,686	4,627,588	48,499,274	43,195,213	4,840,425	48,035,638	463,636
Non-program transactions	7,416,457	169,736	7,586,193	7,416,457	169,736	7,586,193	8,226,658	332,172	8,558,830	(972,637)
Debt service										
Principal	479,734	-	479,734	479,734	-	479,734	294,070	-	294,070	185,664
Interest	-	-	-	-	-	-	23,173	-	23,173	(23,173)
Total debt service	479,734	-	479,734	479,734	-	479,734	317,243	-	317,243	162,491
TOTAL EXPENDITURES	107,398,449	19,601,789	127,000,238	107,398,449	19,601,789	127,000,238	106,737,447	20,047,371	126,784,818	215,420
EXCESS (DEFICIENCY) OF REVENUES										
OVER EXPENDITURES	9,954,825	(10,660,743)	(705,918)	9,954,825	(10,660,743)	(705,918)	9,138,869	(11,407,536)	(2,268,667)	(1,562,749)
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(10,745,883)	10,660,743	(85,140)	(10,745,883)	10,660,743	(85,140)	(11,492,676)	11,407,536	(85,140)	-
Long term debt proceeds	-	-	-	-	-	-	291,219	-	291,219	291,219
Sale of capital assets	75,000	-	75,000	75,000	-	75,000	32,537	-	32,537	(42,463)
TOTAL OTHER FINANCING										
SOURCES (USES)	(10,670,883)	10,660,743	(10,140)	(10,670,883)	10,660,743	(10,140)	(11,168,920)	11,407,536	238,616	248,756
NET CHANGE IN FUND BALANCE	(716,058)	-	(716,058)	(716,058)	-	(716,058)	(2,030,051)	-	(2,030,051)	(1,313,993)
FUND BALANCE - BEGINNING OF YEAR	32,280,190	-	32,280,190	32,280,190	-	32,280,190	32,280,190	-	32,280,190	-
FUND BALANCE - END OF YEAR	\$ 31,564,132	\$ -	\$ 31,564,132	\$ 31,564,132	\$ -	\$ 31,564,132	\$ 30,250,139	\$ -	\$ 30,250,139	\$ (1,313,993)

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2024

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

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

1. Based upon requests from District staff, District administration recommends budget proposals to the School Board.
2. The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the public budget hearing, the School Board may alter the proposed budget.
5. After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
6. Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserve of fund balance.
7. Encumbrance accounting is used by the District.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

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

General/Special Education	Vocational instruction	\$ 57,014
General/Special Education	Special instruction	70,309
General/Special Education	Other instruction	436,818
General/Special Education	Pupil services	34,631
General/Special Education	General administration services	186,521
General/Special Education	Central services	77,382
General/Special Education	Non-program transactions	972,637
General/Special Education	Interest	23,173

WAUSAU SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2024

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

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.34991062%	\$ 5,202,492	\$ 64,540,552	8.06%	98.85%
2022	0.36287089%	19,223,824	64,590,612	29.76%	95.72%
2021	0.36706933%	(29,586,463)	62,650,851	-47.22%	106.02%
2020	0.37394335%	(23,345,802)	61,563,422	-37.92%	105.26%
2019	0.38171293%	(12,308,167)	59,187,190	-20.80%	102.96%
2018	0.38559986%	13,718,434	59,035,595	23.24%	96.45%
2017	0.39691836%	(11,784,977)	58,188,507	-20.25%	102.93%
2016	0.40199573%	3,313,405	55,026,320	6.02%	99.12%
2015	0.41264480%	6,705,398	59,416,959	11.29%	98.20%
2014	0.41090077%	(10,092,847)	56,913,887	-17.73%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,638,400	\$ (4,638,400)	\$ -	\$ 67,609,579	6.86%
2023	4,438,219	(4,438,219)	-	66,531,662	6.67%
2022	4,232,906	(4,232,906)	-	62,650,851	6.76%
2021	4,155,531	(4,155,531)	-	61,563,422	6.75%
2020	3,876,767	(3,876,767)	-	59,187,190	6.55%
2019	3,955,399	(3,955,399)	-	59,035,595	6.70%
2018	3,957,255	(3,957,255)	-	58,188,507	6.80%
2017	3,632,045	(3,632,045)	-	55,026,320	6.60%
2016	4,040,371	(4,040,371)	-	59,416,959	6.80%
2015	3,985,066	(3,985,066)	-	56,913,887	7.00%

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

Notes to Required Supplementary Information for the Year Ended June 30, 2024

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

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

- * Lowering the long-term expected rate of return from 7% to 6.8%
- * Lowering the discount rate from 7% to 6.8%
- * Lowering the price inflation rate from 2.5% to 2.4%
- * Lowering the post-retirement adjustments from 1.9% to 1.7%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

- * Lowering the long-term expected rate of return from 7.2% to 7%
- * Lowering the discount rate from 7.2% to 7%
- * Lowering the wage inflation rate from 3.2% to 3%
- * Lowering the price inflation rate from 2.7% to 2.5%
- * Lowering the post-retirement adjustments from 2.1% to 1.9%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

WAUSAU SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

Notes to Required Supplementary Information for the Year Ended June 30, 2024 - Continued

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	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	1.7%	1.9%	1.9%	1.9%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

* 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.

WAUSAU SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

Notes to Required Supplementary Information for the Year Ended June 30, 2024 - Continued

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

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

* 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.

WAUSAU SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2024

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

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	1.10524600%	\$ 5,084,855	\$ 57,301,000	8.87%	33.90%
2022	1.12942700%	4,302,921	56,947,000	7.56%	38.81%
2021	1.06946400%	6,320,928	57,982,000	10.90%	29.57%
2020	1.00330100%	5,518,880	52,906,000	10.43%	31.36%
2019	1.17355700%	4,997,234	52,872,000	9.45%	37.58%
2018	1.08617300%	2,802,693	52,113,000	5.38%	48.69%
2017	1.09493800%	3,294,209	46,045,275	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 21,904	\$ (21,904)	\$ -	\$ 58,148,000	0.04%
2023	23,166	(23,166)	-	56,630,436	0.04%
2022	33,811	(33,811)	-	57,982,000	0.06%
2021	20,006	(20,006)	-	52,906,000	0.04%
2020	21,215	(21,215)	-	52,872,000	0.04%
2019	20,926	(20,926)	-	52,113,000	0.04%
2018	20,793	(20,793)	-	46,045,275	0.05%

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

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

Notes to Required Supplementary Information for the Year Ended June 30, 2024

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

Changes of assumptions - in addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- * Lowering the price inflation rate from 2.5% to 2.4%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- * Lowering the long-term expected rate of return from 5% to 4.25%
- * Lowering the wage inflation rate from 3.2% to 3%
- * Lowering the price inflation rate from 2.7% to 2.5%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality table.

WAUSAU SCHOOL DISTRICT
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2024

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability							
Service cost	\$ 1,019,364	\$ 1,316,423	\$ 1,387,899	\$ 1,109,438	\$ 1,157,754	\$ 1,206,085	\$ 1,731,945
Interest	943,971	592,741	629,383	864,125	925,940	847,749	958,552
Differences between expected and actual experience	241,727	6,008	(2,601,788)	-	(1,720,487)	-	(5,887,663)
Changes of assumptions or other input	265,565	(2,930,002)	177,526	1,958,998	619,230	(402,122)	(3,213,549)
Benefit payments	<u>(1,759,521)</u>	<u>(1,403,280)</u>	<u>(968,422)</u>	<u>(608,571)</u>	<u>(1,312,872)</u>	<u>(1,001,554)</u>	<u>(1,111,777)</u>
Net Changes in Total OPEB Healthcare Liability	711,106	(2,418,110)	(1,375,402)	3,323,990	(330,435)	650,158	(7,522,492)
Total OPEB Healthcare Liability - Beginning	<u>23,969,342</u>	<u>26,387,452</u>	<u>27,762,854</u>	<u>24,438,864</u>	<u>24,769,299</u>	<u>24,119,141</u>	<u>31,641,633</u>
Total OPEB Healthcare Liability - Ending (a)	<u>\$ 24,680,448</u>	<u>\$ 23,969,342</u>	<u>\$ 26,387,452</u>	<u>\$ 27,762,854</u>	<u>\$ 24,438,864</u>	<u>\$ 24,769,299</u>	<u>\$ 24,119,141</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 1,920,195	\$ 1,506,160	\$ 1,048,249	\$ 671,841	\$ 1,412,609	\$ 1,083,806	\$ 1,203,237
Net investment income	183,879	(543,514)	625,661	320,148	202,548	(15,470)	(8,715)
Benefit payments	(1,759,521)	(1,403,280)	(968,422)	(608,571)	(1,312,872)	(1,001,554)	(1,111,777)
Administrative expense	<u>(14,019)</u>	<u>(18,672)</u>	<u>(18,420)</u>	<u>(13,651)</u>	<u>(18,175)</u>	<u>(18,423)</u>	<u>(22,996)</u>
Net Changes in Plan Fiduciary Net Position	330,534	(459,306)	687,068	369,767	284,110	48,359	59,749
Plan Fiduciary Net Position - Beginning	<u>3,982,656</u>	<u>4,441,962</u>	<u>3,754,894</u>	<u>3,385,127</u>	<u>3,101,017</u>	<u>3,052,658</u>	<u>2,992,909</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,313,190</u>	<u>\$ 3,982,656</u>	<u>\$ 4,441,962</u>	<u>\$ 3,754,894</u>	<u>\$ 3,385,127</u>	<u>\$ 3,101,017</u>	<u>\$ 3,052,658</u>
Net OPEB Healthcare Liability - Ending (a) - (b)	<u>\$ 20,367,258</u>	<u>\$ 19,986,686</u>	<u>\$ 21,945,490</u>	<u>\$ 24,007,960</u>	<u>\$ 21,053,737</u>	<u>\$ 21,668,282</u>	<u>\$ 21,066,483</u>
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	17.48%	16.62%	16.83%	13.52%	13.85%	12.52%	12.66%
Covered payroll	\$ 63,364,092	\$ 59,321,446	\$ 59,321,446	\$ 56,290,841	\$ 56,290,841	\$ 27,692,237	\$ 27,692,237
Net OPEB Healthcare Liability as a percentage of covered payroll	32.14%	33.69%	36.99%	42.65%	37.40%	78.25%	76.07%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 2,359,910	\$ 2,359,910	\$ 2,292,988	\$ 2,292,988	\$ 2,393,711	\$ 2,393,711	\$ 2,955,715
Contributions in relation to the actuarially determined contributions	<u>(1,920,195)</u>	<u>(1,506,160)</u>	<u>(1,048,249)</u>	<u>(671,841)</u>	<u>(1,412,609)</u>	<u>(1,083,806)</u>	<u>(1,203,237)</u>
Contribution deficiency (excess)	<u>\$ 439,715</u>	<u>\$ 853,750</u>	<u>\$ 1,244,739</u>	<u>\$ 1,621,147</u>	<u>\$ 981,102</u>	<u>\$ 1,309,905</u>	<u>\$ 1,752,478</u>
Covered payroll	\$ 63,364,092	\$ 59,321,446	\$ 59,321,446	\$ 56,290,841	\$ 56,290,841	\$ 27,692,237	\$ 27,692,237
Contributions as a percentage of covered payroll	3.03%	2.54%	1.77%	1.19%	2.51%	3.91%	4.35%
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2018	6/30/2017
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/3/2020	6/30/2019	6/30/2018	6/30/2017

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

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % open amortization, fair market value asset valuation, 4.13% discount rate, 2.5% inflation, 3% salary increases, 2020 WRS experience table.

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

Changes of assumptions - the discount rate increased to 4.13%. The mortality assumptions changed to the 2020 WRS experience table. The health care trend changed to 7% decreasing to 6.5%, then decreasing by .1% per year down to 4.5%, and level thereafter. The actuarial assumptions changed to 2021 WRS experience from 2018-2020.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

SUPPLEMENTARY INFORMATION

WAUSAU SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	SPECIAL REVENUE FUNDS					
	NON- SCHOLARSHIP DONATION FUND	FOOD SERVICE FUND	COMMUNITY SERVICES	NON-REFERENDUM DEBT SERVICE	LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash and investments	\$ 1,635,931	\$ 2,441,819	\$ 699,153	\$ 84,337	\$ 2,371,747	\$ 7,232,987
Due from other governments	-	94,209	-	-	-	94,209
TOTAL ASSETS	<u>1,635,931</u>	<u>2,536,028</u>	<u>699,153</u>	<u>84,337</u>	<u>2,371,747</u>	<u>7,327,196</u>
LIABILITIES						
Accounts payable	656	7,939	180,136	-	-	188,731
Accrued payroll liabilities	-	41,926	31,198	-	-	73,124
TOTAL LIABILITIES	<u>656</u>	<u>49,865</u>	<u>211,334</u>	<u>-</u>	<u>-</u>	<u>261,855</u>
FUND BALANCES						
Restricted	1,635,275	2,486,163	-	84,337	2,371,747	6,577,522
Committed	-	-	487,819	-	-	487,819
TOTAL FUND BALANCES	<u>1,635,275</u>	<u>2,486,163</u>	<u>487,819</u>	<u>84,337</u>	<u>2,371,747</u>	<u>7,065,341</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,635,931</u>	<u>\$ 2,536,028</u>	<u>\$ 699,153</u>	<u>\$ 84,337</u>	<u>\$ 2,371,747</u>	<u>\$ 7,327,196</u>

WAUSAU SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			NON-REFERENDUM DEBT SERVICE	LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	NON- SCHOLARSHIP DONATION FUND	FOOD SERVICE FUND	COMMUNITY SERVICES			
REVENUES						
Property taxes	\$ -	\$ -	\$ 662,200	\$ 2,104,070	\$ -	\$ 2,766,270
Other local sources	2,354,262	1,399,117	-	9,754	121,231	3,884,364
State sources	-	61,798	-	-	-	61,798
Federal sources	-	3,639,678	-	-	-	3,639,678
TOTAL REVENUES	2,354,262	5,100,593	662,200	2,113,824	121,231	10,352,110
EXPENDITURES						
Current						
Instruction						
Regular instruction	1,802,398	-	-	-	-	1,802,398
Vocational instruction	35,985	-	-	-	-	35,985
Other instruction	5,293	-	-	-	-	5,293
Total instruction	1,843,676	-	-	-	-	1,843,676
Support services						
Pupil services	4,747	-	-	-	-	4,747
Instructional staff services	17,309	-	-	-	-	17,309
General administration services	-	-	518,785	-	-	518,785
Business services	265,381	5,103,190	194,462	-	-	5,563,033
Central services	-	1,410	8	-	-	1,418
Other support services	214,352	-	-	-	-	214,352
Total support services	501,789	5,104,600	713,255	-	-	6,319,644
Debt service						
Principal	-	-	-	2,065,000	-	2,065,000
Interest	-	-	-	149,835	-	149,835
Total debt service	-	-	-	2,214,835	-	2,214,835
TOTAL EXPENDITURES	2,345,465	5,104,600	713,255	2,214,835	-	10,378,155
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,797	(4,007)	(51,055)	(101,011)	121,231	(26,045)
OTHER FINANCING (USES) SOURCES						
Net transfer (to) from other funds	-	-	-	85,140	-	85,140
Sale of capital assets	-	6,039	-	-	-	6,039
TOTAL OTHER FINANCING (USES) SOURCES	-	6,039	-	85,140	-	91,179
NET CHANGE IN FUND BALANCE	8,797	2,032	(51,055)	(15,871)	121,231	65,134
FUND BALANCE - BEGINNING OF YEAR	1,626,478	2,484,131	538,874	100,208	2,250,516	7,000,207
FUND BALANCE - END OF YEAR	\$ 1,635,275	\$ 2,486,163	\$ 487,819	\$ 84,337	\$ 2,371,747	\$ 7,065,341

WAUSAU SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2024

OPERATING ACTIVITY	WUFAR OBJECT CODE	EEA COST	Montessori COST	WAVE COST
Employee salary	100	\$ -	\$ -	\$ -
Employee benefits	200	-	-	-
Purchased services	300	-	-	-
Non-capital objects	400	-	-	-
Capital objects	500	-	-	-
Insurance and judgements	700	-	-	-
Pupil dues and fees	900	-	-	-
Employee dues and fees	900	-	-	-
District dues and fees	900	-	-	-
Total		\$ -	\$ -	\$ -

WAUSAU SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Awarding Agency Pass-Through Agency Award Description	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED	REVENUES	ACCRUED	SUBRECIPIENT PASS-THROUGH EXPENDITURES
				RECEIVABLE (UNEARNED REVENUE) JULY 1, 2023	GRANTOR REIMBURSE- MENTS	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2024	
FEDERAL COMMUNICATIONS COMMISSION							
Universal Service Administrative Company							
Emergency Connectivity Fund Program		32.009	167,665	\$ -	\$ 102,118	\$ 167,665	\$ 65,547
July 1, 2023 - June 30, 2024	None			-	102,118	167,665	65,547
TOTAL FEDERAL COMMUNICATIONS COMMISSION				-	102,118	167,665	65,547
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
Local Food for Schools		10.185	N/A	3,300	3,300	-	-
July 1, 2022 - June 30, 2023	None		\$ 3,700	-	3,700	-	-
July 1, 2023 - June 30, 2024	None			-	-	-	-
<i>Child Nutrition Cluster</i>							
School Breakfast Program		10.553	N/A	-	632,400	632,400	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-SB-546			-	-	-	-
Food Distribution		10.555	N/A	-	355,247	355,247	-
July 1, 2023 - June 30, 2024	None			-	-	-	-
National School Lunch Program		10.555	N/A	-	2,414,381	2,414,381	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-NSL-547			-	-	-	-
National School Lunch Program Snack Program		10.555	N/A	-	35,865	35,865	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-SK_NSL-566			-	-	-	-
Special Milk Program for Children		10.556	N/A	-	5,909	5,909	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-SMP-548			-	-	-	-
Summer Food Service Program for Children		10.559	N/A	106,108	106,108	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-SFSP-561			-	-	-	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-SFSP-566			-	63,747	157,956	94,209
Fresh Fruit and Vegetable Program		10.582	N/A	-	34,221	34,221	-
July 1, 2023 - June 30, 2024	2024-376223-DPI-FFVP-July-594			-	-	-	-
Total Child Nutrition Cluster				106,108	3,647,878	3,635,979	94,209
TOTAL U.S. DEPARTMENT OF AGRICULTURE				109,408	3,654,878	3,639,679	94,209
U.S. DEPARTMENT OF EDUCATION							
Charter Schools							
October 1, 2023 - September 30, 2024	None	84.282B	500,000	-	-	245,537	245,537
Wisconsin Department of Public Instruction							
<i>Special Education Cluster</i>							
Special Education - Grants to States (IDEA Part B)		84.027A	N/A	748,344	748,344	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-FLOW-341		1,509,394	-	670,748	1,508,092	837,344
July 1, 2023 - June 30, 2024	2024-376223-DPI-FLOW-341			-	-	-	-
Special Education - Grants to States (IDEA Part B-CEIS)		84.027A	N/A	169,619	169,619	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-FLOW-341		537,923	-	387,663	449,910	62,247
July 1, 2023 - June 30, 2024	2024-376223-DPI-FLOW-341			-	-	-	-
Special Education - Preschool Grants (IDEA Preschool)		84.173A	N/A	53,867	53,867	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-PRESCH-347		104,118	-	30,791	61,476	30,685
July 1, 2023 - June 30, 2024	2024-376223-DPI-PRESCH-347			-	-	-	-
Special Education - Preschool Grants - Mini-grant (IDEA Preschool)		84.173A	16,000	-	779	4,739	3,960
July 1, 2023 - June 30, 2024	2024-376223-ECSELMG-348			-	-	-	-
Total Special Education Cluster				971,830	2,061,811	2,024,217	934,236
Title I-A - Grants to Local Educational Agencies		84.010A	N/A	380,326	380,326	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-TIA-141		1,531,586	-	1,018,880	1,459,382	440,502
July 1, 2023 - June 30, 2024	2024-376223-DPI-TIA-141			-	-	-	-
Title I-D - Delinquent		84.010D	N/A	3,618	3,618	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-TID-144		26,000	-	2,887	6,621	3,734
July 1, 2023 - June 30, 2024	2024-376223-DPI-TID-144			-	-	-	-
Career and Technical Education - Basic Grants to States (Perkins IV)		84.048	N/A	4,934	4,934	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-CTE-400		81,969	-	69,867	73,987	4,120
July 1, 2023 - June 30, 2024	2024-376223-DPI-CTE-400			-	-	-	-
Education for Homeless Youth and Children		84.196A	6,700	-	-	5,016	5,016
July 1, 2023 - June 30, 2024	2024-376223-DPI-EHCY-I335			-	-	-	-
Title III - English Language Acquisition Grants		84.365A	N/A	41,854	41,854	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-TIIIA-391		181,382	-	119,175	124,973	5,798
July 1, 2023 - June 30, 2024	2024-376223-DPI-TIIIA-391			-	-	-	-
Title III - Immigrant Discretionary		84.365A	30,000	-	-	30,000	30,000
July 1, 2023 - June 30, 2024	2024-376223-DPI-TIIIA-ICY-371			-	-	-	-
Title II-A - Supporting Effective Instruction State Grant		84.367A	N/A	89,837	89,837	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-TIIA-365		215,074	-	142,185	192,823	50,638
July 1, 2023 - June 30, 2024	2024-376223-DPI-TIIA-365			-	-	-	-
Title IV-A-Student Support and Acad Enrich Grants		84.424A	N/A	32,031	32,031	-	-
July 1, 2022 - June 30, 2023	2023-376223-DPI-TIVA-381		192,191	-	107,252	160,906	53,654
July 1, 2023 - June 30, 2024	2024-376223-DPI-TIVA-381			-	-	-	-
<i>Education Stabilization Fund</i>							
COVID-19 - Elementary and Secondary School Emergency Relief		84.425D	N/A	471,974	471,974	-	-
March 13, 2020 - September 30, 2023	2023-376223-DPI-ESSERF-163		4,688,144	-	884,466	884,466	-
March 13, 2020 - September 30, 2023	2024-376223-DPI-ESSERF-163			-	-	-	-
COVID-19 - Elementary and Secondary School Emergency Relief		84.425J	N/A	4,441,076	4,441,076	-	-
March 13, 2020 - September 30, 2024	2023-376223-DPI-ESSERF-165		10,403,345	-	2,454,363	3,620,025	1,165,662
March 13, 2020 - September 30, 2024	2024-376223-DPI-ESSERF-165			-	-	-	-
COVID-19 - ARPA Evidence Based After School Grant		84.425U	780,000	-	108,954	705,989	597,035
March 13, 2020 - September 30, 2024	2024-376223-DPI-ESSERF-165			-	-	-	-
ARP Homeless Children and Youth Part 2		84.425W	N/A	2,752	2,752	-	-
April 30, 2021 - September 30, 2024	2023-376223-DPI-ARPHCYII-173		49,414	-	-	26,170	26,170
April 30, 2021 - September 30, 2024	2024-376223-DPI-ARPHCYII-173			-	-	-	-
Total Education Stabilization Fund				4,915,802	8,363,585	5,236,650	1,788,867
TOTAL U.S. DEPARTMENT OF EDUCATION				6,440,232	12,438,242	9,560,112	3,562,102
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Cooperative Educational Service Agency #9							
Public Health Emergency Response		93.354	3,300	-	1,897	1,897	-
July 1, 2023 - June 30, 2024	None			-	-	-	-
Wisconsin Department of Health Services							
Medical Assistance		93.778	N/A	-	1,417,750	1,417,750	-
July 1, 2023 - June 30, 2024	None			-	-	-	-
Total Medicaid Cluster				-	1,417,750	1,417,750	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	1,419,647	1,419,647	-
TOTAL FEDERAL AWARDS				\$ 6,549,640	\$ 17,614,885	\$ 14,787,103	\$ 3,721,858

WAUSAU SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH		RECEIVABLE			RECEIVABLE		SUBRECIPIENT PASS-THROUGH EXPENDITURES
	ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	(UNEARNED REVENUE) JULY 1, 2023	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	(UNEARNED REVENUE) JUNE 30, 2024		
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Wisconsin Department of Public Instruction								
Special Education and School Age Parents	376223-100	255.101	\$ -	\$ 5,169,377	\$ 5,169,377	\$ -	\$ -	-
Transit of aids to Edgar School District	None	255.101	-	(3,405)	(3,405)	-	-	-
State School Lunch Aid	376223-107	255.102	-	41,555	41,555	-	-	-
Common School Fund Library Aid	376223-104	255.103	-	548,322	548,322	-	-	-
Bilingual/Bicultural Aid	376223-111	255.106	-	459,100	459,100	-	-	-
General Transportation Aid	376223-102	255.107	-	183,885	183,885	-	-	-
General Aids Cluster								
Equalization Aid	376223-116	255.201	-	69,309,221	69,309,221	-	-	-
High Cost Special Education Aid	376223-119	255.210	-	134,933	134,933	-	-	-
Aid for School Mental Health Programs	376223-176	255.227	-	283,105	283,105	-	-	-
Peer to Peer Suicide Prevention Grant	376223-183	255.246	834	834	-	-	-	-
School Based Mental Health Services Grant	376223-177	255.297	-	263,241	263,241	-	-	-
School Breakfast Program	376223-108	255.344	-	20,244	20,244	-	-	-
Tuition Payments by State	376223-157	255.401	-	124,644	124,644	-	-	-
Early College Credit Program	376223-178	255.445	-	2,165	2,165	-	-	-
Achievement Gap Reduction	376223-160	255.504	-	1,624,208	1,624,208	-	-	-
Educator Effectiveness Evaluation System	376223-154	255.940	-	58,640	58,640	-	-	-
Per Pupil Aid	376223-113	255.945	-	5,936,742	5,936,742	-	-	-
Career and Technical Education Incentive	376223-152	255.950	-	71,371	71,371	-	-	-
Assessments of Reading Readiness	376223-166	255.956	-	2,091	2,091	-	-	-
Robotics Lead Participation	376223-167	255.959	2,317	2,317	-	-	-	-
Aid for Special Education Transition	376223-168	255.960	-	38,642	38,642	-	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			3,151	84,271,232	84,268,081	-	-	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES								
Payment in Lieu of Taxes	None	None	-	34,587	34,587	-	-	-
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES			-	34,587	34,587	-	-	-
WISCONSIN DEPARTMENT OF REVENUE								
Exempt Computer Aid	None	None	564,122	564,122	564,122	564,122	-	-
Exempt Personal Property Aid	None	None	-	291,149	291,149	-	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			564,122	855,271	855,271	564,122	-	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
North Central Technical College								
Youth Apprenticeship Grant	None	445.107	-	34,000	-	(34,000)	-	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			-	34,000	-	(34,000)	-	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 567,273	\$ 85,195,090	\$ 85,157,939	\$ 530,122	\$ -	-

The accompanying notes are an integral part of these statements.

WAUSAU SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024

NOTE 1 - Basis of Presentation

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

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents Program

2023-2024 eligible costs under the State Special Education Program are \$17,207,560.

NOTE 4 - Food Distribution Program

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

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**WAUSAU SCHOOL DISTRICT
WAUSAU, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Wausau School District
Wausau, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wausau School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Wausau School District's basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wausau School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wausau School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wausau 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 Wausau School 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wausau 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*.

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 Wausau School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wausau School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
November 21, 2024



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

To the Board of Education
Wausau School District
Wausau, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Wausau School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Wausau School District's major federal and state programs for the year ended June 30, 2024. Wausau School District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wausau School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of Wausau School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Wausau 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 Wausau 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 Wausau School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wausau School District's compliance with the requirements of each major federal and state program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

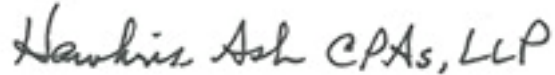
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

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

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
November 21, 2024

WAUSAU SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements? | No |

Federal Awards

- | | |
|---|------------|
| 3. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| 4. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 5. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |

6. Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.556/10.559/10.582	Child Nutrition Cluster
84.425D/84.425W	Education Stabilization Fund
93.778	Medicaid Cluster

State Assistance

- | | |
|--|------------|
| 7. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| 8. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 9. Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | No |

10. Identification of major state programs:

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

- | | |
|---|-------------|
| 11. Dollar threshold used to distinguish between: | |
| Type A and Type B federal programs: | \$750,000 |
| Type A and Type B state programs: | \$1,000,000 |
| 12. Auditee qualified as low-risk auditee? | Yes |

WAUSAU SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2024

Section II - Financial Statement Findings and Questioned Costs

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Other Issues

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

2. Does the auditors' report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:
 - Wisconsin Department of Natural Resources No
 - Wisconsin Department of Public Instruction No
 - Wisconsin Department of Revenue No
 - Wisconsin Department of Workforce Development No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner



Randall L. Miller, Partner



WAUSAU SCHOOL DISTRICT
Longfellow Administration Center

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Cale Bushman, Interim Superintendent of Schools

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
JUNE 30, 2024

Summary Schedule of Prior Audits Findings

2023-002 - Actual Expenditures Over Budget - Resolved. Initially occurred 6/30/23.

Corrective Action Plan

None.