

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**



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BALSAM LAKE, WISCONSIN  
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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Unity School District  
Balsam Lake, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these 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 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison and the schedules relating to pensions and other postemployment benefits 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Supplementary Information**

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

Board of Education  
Unity School District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
December 19, 2023



## **BASIC FINANCIAL STATEMENTS**

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 2,433,636
Taxes Receivable	4,072,535
Accounts Receivable	3,275
Due from Other Governments	1,062,355
Due from Fiduciary Funds	35,905
Capital Assets Not Being Depreciated/Amortized:	
Land	144,053
Construction Work in Progress	29,206
Capital Assets Being Depreciated/Amortized:	
Land Improvements	1,453,279
Buildings and Improvements	33,957,112
Furniture and Equipment	4,204,907
Leased Assets (Right-to-Use)	311,429
Less: Accumulated Depreciation/Amortization	(14,864,258)
Total Assets	32,843,434
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Wisconsin Retirement System Pension Related	8,018,954
Other Postemployment Benefits Related	121,565
Total Deferred Outflows of Resources	8,140,519
<b>LIABILITIES</b>	
Short-Term Notes Payable	750,000
Accounts Payable	330,816
Accrued Interest Payable	106,990
Accrued Salaries and Wages	772,455
Payroll Taxes and Withholdings	452,715
Unearned Revenue	8,786
Long-Term Liabilities:	
Amounts Due Within One Year	1,088,971
Amounts Due In More than One Year	11,143,628
Wisconsin Retirement System Pension Liability	2,221,290
Other Postemployment Benefits Liability	73,180
Total Liabilities	16,948,831
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Wisconsin Retirement System Pension Related	4,663,297
Other Postemployment Benefits Related	458,458
Total Deferred Inflows of Resources	5,121,755
<b>NET POSITION</b>	
Net Investment in Capital Assets	12,794,499
Restricted for:	
Unspent Common School Funds	21,682
Unspent CTE Funds	23,375
Debt Service	192,565
Capital Improvement Program	433,366
Scholarship and Student Activities	256,915
Food Service	271,785
Community Service	529,439
Unrestricted	4,389,741
Total Net Position	\$ 18,913,367

See accompanying Notes to Basic Financial Statements.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 6,594,695	\$ 759,143	\$ 789,275	\$ 7,671	\$ (5,038,606)
Vocational Instruction	255,690	28,269	41,206	-	(186,215)
Special Instruction	1,501,675	197	472,436	36,061	(992,981)
Other Instruction	<u>1,020,733</u>	<u>233,487</u>	<u>14,455</u>	<u>-</u>	<u>(772,791)</u>
Total Instruction	9,372,793	1,021,096	1,317,372	43,732	(6,990,593)
Support Services:					
Pupil Services	773,874	22,279	346,444	-	(405,151)
Instructional Staff Services	1,073,839	6,804	569,796	6,444	(490,795)
General Administration Services	385,357	-	-	-	(385,357)
Building Administration Services	889,163	-	-	-	(889,163)
Business Services	383,566	-	-	-	(383,566)
Operation and Maintenance of Plant	1,959,421	30,369	6,814	12,859	(1,909,379)
Pupil Transportation Services	820,821	4,146	391,398	-	(425,277)
Food Service	838,515	145,121	610,860	-	(82,534)
Internal Services	85,702	-	-	-	(85,702)
Central Services	23,616	-	-	-	(23,616)
Insurance and Judgments	193,014	-	-	-	(193,014)
Interest and Fiscal Fees	342,794	-	-	-	(342,794)
Other Support Services	376,342	937	72,054	-	(303,351)
Community Services	958,797	456,345	204,339	-	(298,113)
Post-Secondary Scholarships	14,150	-	-	-	(14,150)
Depreciation - Unallocated *	<u>1,535,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,535,929)</u>
Total Support Services	<u>10,654,900</u>	<u>666,001</u>	<u>2,201,705</u>	<u>19,303</u>	<u>(7,767,891)</u>
Total Primary Government	<u>\$ 20,027,693</u>	<u>\$ 1,687,097</u>	<u>\$ 3,519,077</u>	<u>\$ 63,035</u>	<u>(14,758,484)</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					9,222,455
Property Taxes, Levied for Debt Purposes					1,290,273
Property Taxes, Levied for Community Service Purposes					603,978
Other Taxes					29,991
State and Federal Aids Not Restricted to Specific Functions					2,541,981
Interest and Investment Earnings					92,010
Miscellaneous					<u>174,649</u>
Total General Revenues					<u>13,955,337</u>
<b>Change in Net Position</b>					(803,147)
Net Position - Beginning of Year					<u>19,710,825</u>
<b>Net Position - End of Year</b>					<u>\$ 18,907,678</u>

\* This amount excludes depreciation included in the direct expense of the various functions - see Note 3.C.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Major Funds				Totals
	General Fund	Debt Service Fund	Community Service Day Care Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and Investments	\$ 710,518	\$ 294,358	\$ -	\$ 1,428,760	\$ 2,433,636
Taxes Receivable	4,072,535	-	-	-	4,072,535
Accounts Receivable	3,275	-	-	-	3,275
Due from Other Governments	935,939	-	70,608	55,808	1,062,355
Due from Other Governmental Funds	306,373	-	-	50,000	356,373
Due from Fiduciary Funds	33,825	-	-	2,080	35,905
	<u>33,825</u>	<u>-</u>	<u>-</u>	<u>2,080</u>	<u>35,905</u>
Total Assets	<u>\$ 6,062,465</u>	<u>\$ 294,358</u>	<u>\$ 70,608</u>	<u>\$ 1,536,648</u>	<u>\$ 7,964,079</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Short-term Notes Payable	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000
Accounts Payable	323,838	-	2,329	4,649	330,816
Accrued Salaries and Wages	766,370	-	-	6,085	772,455
Payroll Taxes and Withholdings	451,240	-	-	1,475	452,715
Due to Other Governmental Funds	50,000	-	282,225	24,148	356,373
Unearned Revenue	-	-	-	8,786	8,786
Total Liabilities	<u>2,341,448</u>	<u>-</u>	<u>284,554</u>	<u>45,143</u>	<u>2,671,145</u>
<b>Fund Balances:</b>					
Restricted	45,057	294,358	-	1,491,505	1,830,920
Unassigned	3,675,960	-	(213,946)	-	3,462,014
Total Fund Balances	<u>3,721,017</u>	<u>294,358</u>	<u>(213,946)</u>	<u>1,491,505</u>	<u>5,292,934</u>
Total Liabilities and Fund Balances	<u>\$ 6,062,465</u>	<u>\$ 294,358</u>	<u>\$ 70,608</u>	<u>\$ 1,536,648</u>	<u>\$ 7,964,079</u>

See accompanying Notes to Basic Financial Statements.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 5,292,934

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital Assets	\$ 40,099,986	
Accumulated Depreciation	<u>(14,864,258)</u>	25,235,728

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General Obligation Debt	11,128,125	
Lease Liability - Right-to-Use	178,479	
Lease Liability - Finance Purchases	808,590	
Accrued Interest Payable on Long-Term Debt	<u>106,990</u>	(12,222,184)

Net pension and OPEB assets, and deferred inflows of resources and deferred outflows of resources related to pensions and OPEB are not financial resources, and are therefore, not reported in the governmental funds:

Wisconsin Retirement System Pension Plan (Asset) Liability	2,221,290	
Deferred Outflows of Resources - Pension Related	(8,018,954)	
Deferred Inflows of Resources - Pension Related	4,663,297	
Other Postemployment Benefits (Asset) Liability	73,180	
Deferred Outflows of Resources - OPEB Related	(121,565)	
Deferred Inflows of Resources - OPEB Related	<u>458,458</u>	724,294

The premium on debt issued is deferred in the statement of net position and amortized over the life of the related debt. In the governmental funds the premium is considered an other financing source when received.

(117,405)

**Net Position of Governmental Activities**

\$ 18,913,367

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Major Funds				Totals
	General Fund	Debt Service Fund	Community Service Day Care Fund	Other Governmental Funds	
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 9,222,455	\$ 1,290,273	\$ 220,400	\$ 383,578	\$ 11,116,706
Other Local Sources	227,687	1,942	394,002	388,454	1,012,085
Interdistrict Sources	877,804	-	-	-	877,804
Intermediate Sources	25,105	-	-	-	25,105
State Sources	3,810,186	-	133,731	14,389	3,958,306
Federal Sources	1,453,968	-	70,608	623,252	2,147,828
Other Sources	60,834	-	-	-	60,834
Total Revenues	<u>15,678,039</u>	<u>1,292,215</u>	<u>818,741</u>	<u>1,409,673</u>	<u>19,198,668</u>
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	6,223,072	-	-	2,905	6,225,977
Vocational Instruction	239,002	-	-	-	239,002
Special Instruction	1,420,974	-	-	26,781	1,447,755
Other Instruction	838,800	-	-	139,886	978,686
Support Services:					
Pupil Services	726,976	-	-	-	726,976
Instructional Staff Services	859,688	-	-	-	859,688
General Administration	374,289	-	-	-	374,289
School Building Administration	836,897	-	-	-	836,897
Business Services	362,653	-	-	-	362,653
Operation and Maintenance of Plant	2,233,064	-	27,813	76,787	2,337,664
Pupil Transportation Services	832,538	-	-	-	832,538
Food Service	-	-	-	783,349	783,349
Internal Services	84,682	-	-	-	84,682
Central Services	23,532	-	-	-	23,532
Insurance and Judgments	193,014	-	-	-	193,014
Debt Service:					
Principal	43,446	1,172,875	112,143	52,740	1,381,204
Interest and Fiscal Fees	9,577	336,316	24,554	7,260	377,707
Other Support Services	304,688	-	3,016	11,910	319,614
Community Services	-	-	645,499	274,950	920,449
Post-Secondary Scholarships	-	-	-	14,150	14,150
Total Expenditures	<u>15,606,892</u>	<u>1,509,191</u>	<u>813,025</u>	<u>1,390,718</u>	<u>19,319,826</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	71,147	(216,976)	5,716	18,955	(121,158)
<b>OTHER FINANCING SOURCES (USES)</b>					
Leases	23,743	-	-	-	23,743
Sale of Capital Assets	25,878	-	-	-	25,878
Transfers In	-	-	-	50,000	50,000
Transfers Out	(50,000)	-	-	-	(50,000)
Net Other Financing Sources (Uses)	<u>(379)</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>49,621</u>
<b>NET CHANGE IN FUND BALANCES</b>	70,768	(216,976)	5,716	68,955	(71,537)
Fund Balances - Beginning of Year	<u>3,650,249</u>	<u>511,334</u>	<u>(219,662)</u>	<u>1,422,550</u>	<u>5,364,471</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,721,017</u>	<u>\$ 294,358</u>	<u>\$ (213,946)</u>	<u>\$ 1,491,505</u>	<u>\$ 5,292,934</u>

See accompanying Notes to Basic Financial Statements.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ (71,537)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 820,910	
Depreciation Expense Reported in the Statement of Activities	<u>(2,128,914)</u>	(1,308,004)

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

The gain (loss) on disposal of capital assets during the year is: (3,830)

Wisconsin Retirement System Pension Plan:

Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

Pension Plan	(612,745)	
Other Postemployment Benefits Payable	<u>(193,716)</u>	(806,461)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt incurred in the current year is:

(23,743)

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.

The amount of long-term debt principal payments in the current year is: 1,381,204

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

Interest Paid During the Current Period	348,300	
Interest Accrued During the Current Period	<u>(341,265)</u>	7,035

The premium on debt issued is amortized over the life of the related debt in the statement of activities. The debt premium is considered an other financing source in the governmental funds. In the current year this amount consists of

27,878

**Change in Net Position of Governmental Activities** \$ (797,458)

See accompanying Notes to Basic Financial Statements.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<u>Employee Benefit Trust Funds</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,100,926
<b>LIABILITIES</b>	
Due to Governmental Funds	<u>35,905</u>
<b>NET POSITION</b>	
Restricted	<u><u>\$ 2,065,021</u></u>

*See accompanying Notes to Basic Financial Statements.*



**UNITY SCHOOL DISTRICT**  
**BALSAM LAKE, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Employee Benefit Trust Funds</u>
<b>ADDITIONS</b>	
Local Sources:	
Interest	\$ 34,301
Other Sources	249,500
Total Additions	<u>283,801</u>
 <b>DEDUCTIONS</b>	
Trust Fund Disbursements	<u>64,578</u>
 <b>CHANGE IN NET POSITION</b>	 219,223
Net Position - Beginning of Year	<u>1,845,798</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 2,065,021</u></u>

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of the Unity School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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.

**B. Reporting Entity**

The Unity School District is organized as a common school district. The District, governed by a seven member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or parts of 11 taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

**C. Government-Wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

**Government-Wide Statements**

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (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 has the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Day Care Community Services Fund** – The Day Care Fund, a special revenue fund, is used to account for the accumulation of resources for activities of the day care program.

Additionally, the District reports the following fiduciary fund:

**Employee Benefit Trust Fund** – The Employee Benefit Trust Fund is used to account for assets held by the District in a trustee capacity for employees. Such assets include early retirement benefits.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

The government-wide and fiduciary trust funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Fiduciary agency funds do not have a measurement focus.

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 six months 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 of right-to-use assets by lease arrangements are reported as other financing sources.

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

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

UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Adoption of New Accounting Standards**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The District adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. No technology contracts were found to have terms requiring disclosures.

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity**

**1. Deposits and Investments**

Investments of the District are stated at fair value. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, 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.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

**2. Receivables and Payables**

**Property Taxes.** Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school District and county treasurer for those taxes collected on their behalf. The county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity (Continued)**

**2. Receivables and Payables (Continued)**

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. 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 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which taxes are levied. The 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1st, 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 30th and are available to pay current liabilities.

**Accounts Receivable.** All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**Interfund Balances.** The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds". The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds". Advances between funds are classified as nonspendable to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity (Continued)**

**4. Capital Assets**

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at acquisition value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	N/A	N/A
Land Improvements	5,000	Straight-line	20 Years
Buildings	5,000	Straight-line	50 Years
Building Improvements	5,000	Straight-line	7-30 Years
Furniture and Equipment	5,000	Straight-line	5-20 Years
Vehicles	5,000	Straight-line	5 Years
Right-to-Use Assets	5,000	Straight-line	5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made through the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**5. Deferred Outflows of Resources**

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statements of net position or governmental fund balance sheet. The District reports deferred outflows of resources for pension and other postemployment benefit (OPEB) related items.

**6. Deferred Inflows of Resources**

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statements of net position or governmental fund balance sheet. The District reports deferred inflows of resources for pension and OPEB related items.



**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity (Continued)**

**7. Other Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Unity School District Postemployment Benefits Trust (Trust) and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**8. Wisconsin Retirement System Pension Plan Benefits**

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

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

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

**9. Long-Term Obligations**

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

**10. Unearned Revenues**

Unearned revenues are reported in connection with resources that have been received but not yet earned.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity (Continued)**

**11. Use of Restricted Resources**

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

**12. Equity Classifications**

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the District's financial statements:

**Government-Wide Statements.** Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of 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. All other net position is displayed as unrestricted.

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain unassigned portion of fund balance for cash flow that is equivalent to a minimum of four months operating costs or 25% of total general fund operating expenditures, whichever is greater.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity (Continued)**

**12. Equity Classifications (Continued)**

**Fund Financial Statements (Continued).** Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Administrator has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned and finally unassigned fund balance.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Accounting principles generally accepted in the United States of America require the disclosure of individual funds that have a deficit balance at year-end. At June 30, 2023, the day care community services fund, had a deficit balance of \$213,946. It is expected that this deficit will be eliminated with future charges for services for this program.

In the general fund, expenditures exceeded the budgeted amount for expenditures as shown below:

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Vocational Curriculum	\$ 221,785	\$ 221,785	\$ 239,002	\$ (17,217)
Special Education Curriculum	1,192,969	1,192,969	1,234,986	(42,017)
Co-Curricular Activities	389,898	389,898	454,635	(64,737)
<b>Support Services:</b>				
Pupil Services	656,846	656,846	726,976	(70,130)
General Administration	352,488	352,488	374,289	(21,801)
School Building Administration	820,175	820,175	836,897	(16,722)
Business Administration	351,488	351,488	362,653	(11,165)
Operation and Maintenance	1,639,122	1,639,122	2,233,064	(593,942)
Insurance and Judgments	183,801	183,801	193,014	(9,213)
Other Support Services	244,069	244,069	282,580	(38,511)
<b>Nonprogram:</b>				
Purchased Instructional Services	1,453,070	1,453,070	1,469,431	(16,361)
Other Nonprogram	-	-	22,108	(22,108)

These overages were determined necessary and authorized by management.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, the trust fund uses a separate and distinct account. All other funds share in common cash and investment accounts.

The District's cash and investments balances at June 30, 2023 as shown in the financial statements as follows:

Governmental Funds	\$ 2,433,636
Fiduciary Funds:	
Employee Benefit Trust Funds	2,100,926
Total	<u>\$ 4,534,562</u>

The above balances at June 30, 2023 consisted of the following:

Deposits at Financial Institutions	\$ 2,382,273
Investment with State Local Government	
Pooled-Investment Fund	51,363
Deposits with Fiscal Agent (Employee Benefit	
Trust Funds)	2,100,926
Total	<u>\$ 4,534,562</u>

**Deposits at Financial Institutions**

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2023, the District's deposits were not exposed to custodial credit risk.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments**

The District's investments at June 30, 2023 consisted of deposits in the following external investment pool:

**Deposits in State Local Government Pooled-Investment Fund.** The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for the 12-month period ended June 30, 2023 was 17 days.

**Investments with Fiscal Agent.** The deposits with fiscal agent consisted of amount paid into the employee trust fund (see Note 4.B) are held in money market mutual funds. The investments are neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.E.1.

Interest rate risk is the risk that changes in internal rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short-weighted average maturities of the investments in the above external investment pool mitigates this risk to the District.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Fair Value Measurements**

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), evaluator models using credit information, market movement and sector news (Level 2) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Total
Mutual Funds - Equities	\$ 2,100,926	\$ -	\$ 2,100,926
Investments Measured at Amortized Cost			51,363
Total Investments			\$ 2,152,289

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The District’s policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.E.1.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Changes in the capital assets for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable/Nonamortized:				
Land	\$ 144,053	\$ -	\$ -	\$ 144,053
Construction Work in Progress	171,883	29,206	(171,883)	29,206
Total Capital Assets, Nondepreciable/Nonamortized	315,936	29,206	(171,883)	173,259
Capital Assets, Depreciable/Amortizable:				
Land Improvements	1,436,652	16,627	-	1,453,279
Buildings and Improvements	33,376,290	596,822	(16,000)	33,957,112
Furniture and Equipment	3,893,212	326,395	(14,700)	4,204,907
Leased Assets (Right-to-Use)	287,686	23,743	-	311,429
Subtotals	38,993,840	963,587	(30,700)	39,926,727
Less: Accumulated Depreciation/Amortization for:				
Land Improvements	795,371	56,943	-	852,314
Buildings and Improvements	10,166,427	1,538,798	(15,600)	11,689,625
Furniture and Equipment	1,732,135	460,540	(11,270)	2,181,405
Leased Assets (Right-to-Use)	68,281	72,633	-	140,914
Subtotals	12,762,214	2,128,914	(26,870)	14,864,258
Total Capital Assets, Depreciable/Amortizable, Net	26,231,626	(1,165,327)	(3,830)	25,062,469
Governmental Activities, Capital Assets, Net	<u>\$ 26,547,562</u>	<u>\$ (1,136,121)</u>	<u>\$ (175,713)</u>	<u>\$ 25,235,728</u>

Depreciation was charged to governmental functions as follows:

<b>Instruction:</b>	
Regular Instruction	\$ 1,459
Special Instruction	1,202
Other Instruction	2,658
<b>Support Services:</b>	
Instructional Staff Services	179,002
General Administrative Services	10,984
Operation and Maintenance of Plant	254,810
Pupil Transportation Services	33,914
Food Service	38,532
Other Support Services	70,824
<b>Unallocated Depreciation</b>	<u>1,535,529</u>
Total Depreciation/Amortization for Governmental Activities	<u>\$ 2,128,914</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2023 was as follows:

**Interfund Receivables**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Day Care Community Service Fund	\$ 282,225	Cash Flow
General Fund	Special Projects Fund	24,148	Cash Flow
General Fund	Employee Benefit Trust Fund	33,825	Employee Benefits
Food Service Fund	Employee Benefit Trust Fund	2,080	Employee Benefits
Capital Projects Fund	General Fund	50,000	Finance Capital Costs
Totals		<u>\$ 392,278</u>	

**Interfund Transfers**

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Capital Improvements Fund	General Fund	\$ 50,000	Finance Capital Costs

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the District for the year ended June 30, 2023 were as follows:

	<u>Balances July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2023</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 11,685,000	\$ -	\$ 1,091,875	\$ 10,593,125	\$ 815,000
Notes from Direct Placements	616,000	-	81,000	535,000	85,000
Bond Premiums	145,283	-	27,878	117,405	-
Lease Liability - Right-to-Use	224,099	23,743	69,363	178,479	73,722
Financed Purchase Obligation	947,556	-	138,966	808,590	115,249
Total	<u>\$ 13,617,938</u>	<u>\$ 23,743</u>	<u>\$ 1,409,082</u>	<u>\$ 12,232,599</u>	<u>\$ 1,088,971</u>



**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Changes in Long-Term Obligations (Continued)**

**General Obligation Debt**

Individual general obligation long-term debt issues outstanding at June 30, 2023 were as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>
General Obligation Bonds:					
School Improvement Bonds	12/30/15	3/1/35	2.75%-3.00%	\$ 9,500,000	\$ 3,195,000
School Improvement Bonds	3/29/16	3/1/25	2.00%	7,995,000	7,398,125
General Obligation Notes:					
Promissory Note	6/24/19	3/1/2029	2.33%-2.48%	616,000	535,000
Total					<u>\$ 11,128,125</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2023 were as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Obligation Bonds</u>		<u>Notes from Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 815,000	\$ 292,513	\$ 85,000	\$ 12,867	\$ 1,205,380
2025	830,000	276,213	85,000	10,878	1,202,091
2026	845,000	272,663	90,000	8,872	1,216,535
2027	865,000	255,763	90,000	6,730	1,217,493
2028	895,000	236,863	90,000	4,561	1,226,424
2029-2033	4,900,000	776,250	95,000	2,356	5,773,606
2034-2035	1,443,125	83,110	-	-	1,526,235
Total	<u>\$ 10,593,125</u>	<u>\$ 2,193,375</u>	<u>\$ 535,000</u>	<u>\$ 46,264</u>	<u>\$ 13,367,764</u>

The 2022 equalized valuation of the District is certified by the Wisconsin Department of Revenue. The legal debt limit and margin of indebtedness as of June 30, 2023 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Debt Limit (10% of \$1,670,906,916)	\$ 167,090,692
Deduct Long-Term Debt Applicable to Debt Margin	<u>11,128,125</u>
Margin of Indebtedness	<u>\$ 155,962,567</u>

The District's outstanding notes from direct placements and direct placement general obligation bonds payable are backed by the full faith and credit of the District. The general obligation debt in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Lease Liability: Right to Use Asset Agreements**

During 2021-22, the District had recorded an initial lease liability in the amount of \$42,608 for the right-to-use lease arrangements for copier and printers and a right-to-use lease arrangement in the amount of \$245,078 for a building lease for the Unity Learning Center.

On July 18, 2022, the District entered into a right-to-use lease arrangement with Xerox Financial Services LLC in the amount of \$23,743 for a copier.

The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right to use asset agreements if an interest rate was not provided in the lease agreement.

The District leases copiers, printers and space for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2028.

Total principal and interest costs for the lease for the governmental funds for the year ended June 30, 2023, was \$69,363 and \$8,986, respectively. The future minimum lease payments for this agreement are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 73,722	\$ 6,444	\$ 80,166
2025	63,254	3,422	66,676
2026	34,526	923	35,449
2027	5,183	266	5,449
2028	1,794	22	1,816
Total	<u>\$ 178,479</u>	<u>\$ 11,077</u>	<u>\$ 189,556</u>

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of its inception. The assets acquired through right-to-use asset lease agreements are as follows:

	<u>Governmental Activities</u>
Right-to-Use Assets:	
Leased Asset - Buildings	\$ 245,078
Leased Asset - Machinery and Equipment	66,351
Subtotal	<u>311,429</u>
Less: Accumulated Amortization	(140,914)
Total	<u>\$ 170,515</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Financed Purchase Obligations**

On June 1, 2019, the District entered into a finance purchase obligation with Apple Financial Services in the amount of \$105,400 for the purchase of Apple MacBooks. The District is required to make annual principal and interest payments. This finance purchase has an interest rate of 2.157% and matures on October 2, 2022.

On October 30, 2019, the District entered into a finance purchase obligation with BCICapital, Inc. for the purchase of a modular building for the District's childcare program in the amount of \$1,191,014. The District is required to make semi-annual principal and interest payments. This finance purchase has an interest rate of 2.75% and matures on September 25, 2029.

The future minimum financed purchase obligation payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 115,249	\$ 21,449	\$ 136,698
2025	118,440	18,258	136,698
2026	121,720	14,979	136,699
2027	125,090	11,608	136,698
2028	128,554	8,145	136,699
2029	199,537	5,512	205,049
Total	<u>\$ 808,590</u>	<u>\$ 79,951</u>	<u>\$ 888,541</u>

**F. Short-Term Debt**

On November 8, 2022, the District approved a line of credit with a maximum draw limit of \$750,000, secured by taxes and other revenues, with First Bank of Baldwin to be used for cash flow purposes. This line of credit accrues interest at a rate equal to the index minus margin, but not less 5.75% nor exceeding 11.75%. This note expires on October 31, 2023; however, no draws can be made after June 30, 2023. The District had \$750,000 outstanding on the short-term debt at June 30, 2023.

Activity during the year is summarized as follows:

<u>Principal Outstanding at 7/1/22</u>	<u>Loan Proceeds</u>	<u>Repayments</u>	<u>Principal Outstanding at 6/30/23</u>	<u>Accrued Interest 6/30/23</u>	<u>Interest Expense</u>	<u>Interest Rate</u>
\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ -	\$ 7,273	5.75% - 11.75%

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at June 30, 2023 consisted of the following:

	<u>Total</u>	<u>Restricted</u>	<u>Unassigned</u>
<b>Major Funds:</b>			
General Fund			
Unassigned	\$ 3,675,960	\$ -	\$ 3,675,960
Common School Funds	21,682	21,682	-
CTE Funds	<u>23,375</u>	<u>23,375</u>	-
Subtotal General Fund	3,721,017	45,057	3,675,960
Debt Service Fund	294,358	294,358	-
Day Care Fund	(213,946)	-	(213,946)
<b>Nonmajor Funds:</b>			
Special Revenue Funds:			
Education Trust Fund	256,915	256,915	-
Food Service Fund:			
Restricted	271,785	271,785	-
Community Services:			
Adult Recreation and Education Fund	253,822	253,822	-
Drivers Education Fund	51,462	51,462	-
Pool Fund	106,000	106,000	-
After School Program Fund	118,155	118,155	-
Capital Improvements Fund	<u>433,366</u>	<u>433,366</u>	-
Subtotal Nonmajor Funds	1,491,505	1,491,505	-
Total Governmental Funds Balances at June 30, 2023	<u>\$ 5,292,934</u>	<u>\$ 1,830,920</u>	<u>\$ 3,462,014</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

**General Information about the Pension Plan**

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at: <http://etf.wi.gov/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 occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

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

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

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

During the year ended June 30, 2023, the WRS recognized \$512,982 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

	Employee	Employer
General (including Teachers)	6.80 %	6.80 %

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Liability/Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a liability of \$2,221,290 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.04192931%, which was an increase of 0.00078554% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,126,600.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,537,827	\$ (4,647,911)
Effect of Changes of Assumptions	436,797	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,773,460	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,962	(15,386)
District Contributions Subsequent to the Measurement Date	267,908	-
Total	<u>\$ 8,018,954</u>	<u>\$ (4,663,297)</u>

\$267,908 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability (asset) in the year ending June 30, 2024.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Plan Benefits (Continued)**

**Pension Liability/Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2024	\$ 124,468
2025	638,792
2026	654,938
2027	1,669,551

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

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
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	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7%

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

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



**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Liability/Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

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

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

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.5%

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

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Liability/Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Single Discount Rate.* A single discount rate of 6.8% was used to measure the Total Pension Liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For 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%, 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 one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District’s Proportionate Share of the Net Pension Liability (Asset)	\$ 7,372,391	\$ 2,221,290	\$ (1,322,224)

*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>.

**Payable to the Pension Plan**

At June 30, 2023, the District reported a payable of \$106,473 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB)**

**Single-Employer Plan**

***Plan description***

The Unity School District's plan is a single employer defined benefit plan used to provide postemployment benefits other than pensions (OPEB). The District's OPEB consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the District for continued health care for all classifications that are entitled to a benefit are briefly outlined below. The School Board of the Unity School District is designated as the administrator of the OPEB plan and it reserves the right to alter, amend, or terminate the OPEB at any time for any reason, without consent.

***Benefits Provided***

**Teachers:** At least 10 years of service as of July 1, 2012. Upon retirement, the District will contribute an additional \$1,000 per year of service worked as of July 1, 2012, up to a maximum of 14 years, to the HRA of eligible retirees. This additional amount will be contributed evenly over a period of seven years but not to exceed Medicare-eligibility. Retirees that have less than seven years to reach Medicare-eligibility will have their additional HRA amount of contributed evenly over the number of years remaining to become Medicare-eligible.

At least 15 years of service as of July 1, 2012. Upon retirement, the District will contribute an additional \$1,500 per year of service worked as of July 1, 2012, up to a maximum of 30 years, to the HRA of eligible retirees. This additional amount will be contributed evenly over a period of seven years but not to exceed Medicare-eligibility. Retirees that have less than seven years to reach Medicare-eligibility will have their additional HRA amount of contributed evenly over the number of years remaining to become Medicare-eligible.

***Notes:***

- *HRA funds may be used towards premiums to remain on the District's health plan or with an outside provider or for approved medical expenses.*
- *Upon retirement, retirees may self-pay the full (100%) amount of required premiums to remain on the District's health plan until Medicare eligible.*

**District Administrators:** Funded during active years of service. The District shall provide and HRA contribution of \$1,000 until the age of WRS eligibility. These funds will be provided during active years of service and deposited into the individual's HRA account at the end of each school year (last week in July).

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)**

**Single-Employer Plan (Continued)**

***Benefits provided (Continued)***

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	11
Active Plan Members	128
Total	143

***Contributions***

Per Article 6 of the District's Trust Agreement states the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June 30, 2023, the District contributed \$0 to the plan.

***Investments***

*Investment policy.* The School Board of the Unity School District' policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities.

The following was the School Board's asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Mutual Funds - Equities	100.0%

*Rate of Return.* For the year ended June 30, 2023, the annual money-weighted rate of return, net of investment expense, was 1.93%.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)**

**Single-Employer Plan (Continued)**

***Net OPEB Liability (Asset)***

Total OPEB Liability - Ending (a)	\$ 444,079
Plan Fiduciary Net Position - Ending (b)	370,899
District's Net OPEB Asset - Ending (a) - (b)	\$ 73,180
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	83.52%

The District's net OPEB asset was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

***Actuarial Assumptions***

The total OPEB liability (asset) in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.0%
Assumed Rate of Return on Plan Assets	3.75%
Plan Participation of Future Retirees	40.0%
Discount Rate	3.75%
Healthcare Cost Trend Rates	7.00% decreasing to 6.50%, then decreasing 0.10% per year down to 4.5%, and level thereafter

Mortality rates were based on the 2020 WRS experience tables for active employees and healthy retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The long-term expected rate of return on OPEB plan investments was determined based on the District's investment in mutual. Given this information and based upon the actuary's determination that the level of asset in the District's trust will remain sufficient to pay future retiree benefits, the District determined a 3.75% long-term expected rate of return to be reasonable for valuation purposes.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)**

**Single-Employer Plan (Continued)**

***Actuarial Assumptions (Continued)***

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	Target Allocation	Long-Term Expected Real Rate of Return
Mutual Funds - Equities	100.0%	3.75%

***Discount Rate***

The discount rate used to measure the total OPEB liability (asset) was 3.75% as opposed to a discount rate of 3.50% in the prior year. The discount rate was based upon all projected payments discounted at a long-term expected rate of return of 3.75%. This rate was based upon all the District's asset allocation and expected nominal returns of as of June 30, 2023. Implicit in this rate is a 2.50% assumed rate of inflation. The projection of cash flows used to determine the single discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)**

**Single-Employer Plan (Continued)**

***Changes in the Net OPEB Liability (Asset)***

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Balances at June 30, 2022	\$ 823,731	\$ 904,953	\$ (81,222)
Changes for the Year:			
Service Cost	37,215	-	37,215
Interest	29,190	-	29,190
Changes of Benefit Terms	(326,954)	-	(326,954)
Differences Between Expected and Actual Experience	(72,047)	-	(72,047)
Changes of Assumptions or Other Input	(30,400)	-	(30,400)
Net Investment Income	-	5,202	(5,202)
Benefit Payments	(16,656)	(16,656)	-
Adjustment	-	(522,600)	522,600
Net Changes	<u>(379,652)</u>	<u>(534,054)</u>	<u>154,402</u>
Balances at June 30, 2023	<u>\$ 444,079</u>	<u>\$ 370,899</u>	<u>\$ 73,180</u>

***Sensitivity of the net OPEB liability (asset) to changes in the discount rate***

The following presents the net OPEB (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

		1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability (Asset)	6/30/23	<u>\$ 105,883</u>	<u>\$ 73,180</u>	<u>\$ 42,545</u>

***Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates***

The following presents the net OPEB asset of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

		1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Net OPEB Liability (Asset)	6/30/23	<u>\$ 25,631</u>	<u>\$ 73,180</u>	<u>\$ 129,450</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)**

**Single-Employer Plan (Continued)**

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$193,716. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 45,981	\$ (225,967)
Changes of Assumptions or Other Input	39,830	(232,491)
Net Difference Between Projected and Actual Earnings on OPEB Investments	35,754	-
Total	<u>\$ 121,565</u>	<u>\$ (458,458)</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2024	\$ (38,817)
2025	(40,843)
2026	(43,707)
2027	(46,059)
2028	(51,298)
Thereafter	(116,169)

The plan does not issue separate financial statements.

**C. Defined Contribution Plan**

The District also sponsors a defined contribution retirement plan under a Health Reimbursement Arrangement (HRA). The District contributes \$1,000 per year for each full-time eligible teacher until the age of retirement. The funds are deposited into individual accounts upon successful completion of services for the preceding year. The teacher is considered fully vested into the HRA when the teacher has completed at least 15 years with the District and upon retirement will have access to their HRA funds. Contributions made on behalf of the employees who terminate employment or do not meet the vesting requirements will be reverted back into the District's HRA fund. The District contributed \$47,922 to the Plan during 2022-23.



**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims have not exceeded this commercial coverage in any of the past three years.

**E. Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues school Districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

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

- A resolution of the school board or by a referendum prior to August 12, 1992.
- A referendum on or after August 12, 1993.

**F. Commitments**

At June 30, 2023, the District was committed under various contracts related construction projects. The District entered into two contracts totaling \$74,741 which will be financed with existing District funds. As of June 30, 2023, \$45,434 remains yet to be paid.

**G. Subsequent Events**

On December 12, 2023, the District renewed its taxable tax and revenue anticipation note in the amount of \$750,000. This note bears an interest rate equal to the index minus margin, but not less than 5.750% nor exceeding 11.750% and matures on October 31, 2024; however, no draws or disbursements on this note can be made after June 30, 2024.

**H. Contingencies**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 9,222,455	\$ 9,222,455	\$ 9,222,455	\$ -
Other Local Sources	100,500	100,500	227,687	127,187
Interdistrict Sources	896,908	896,908	877,804	(19,104)
Intermediate Sources	17,139	17,139	25,105	7,966
State Sources	3,463,963	3,463,963	3,810,186	346,223
Federal Sources	1,365,153	1,365,153	1,453,968	88,815
Other Sources	93,500	93,500	60,834	(32,666)
Total Revenues	<u>15,159,618</u>	<u>15,159,618</u>	<u>15,678,039</u>	<u>518,421</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Undifferentiated Curriculum	2,321,972	2,321,972	2,315,969	6,003
Regular Curriculum	2,574,288	2,574,288	2,521,673	52,615
Vocational Curriculum	221,785	221,785	239,002	(17,217)
Physical Curriculum	400,269	400,269	384,165	16,104
Special Education Curriculum	1,192,969	1,192,969	1,234,986	(42,017)
Co-Curricular Activities	389,898	389,898	454,635	(64,737)
Other Special Needs	105,223	105,223	101,987	3,236
Total Instruction	<u>7,206,404</u>	<u>7,206,404</u>	<u>7,252,417</u>	<u>(46,013)</u>
<b>Support Services:</b>				
Pupil Services	656,846	656,846	726,976	(70,130)
Instructional Staff Services	996,918	996,918	859,688	137,230
General Administration	352,488	352,488	374,289	(21,801)
School Building Administration	820,175	820,175	836,897	(16,722)
Business Administration	351,488	351,488	362,653	(11,165)
Operation and Maintenance	1,639,122	1,639,122	2,233,064	(593,942)
Pupil Transportation	1,063,420	1,063,420	832,538	230,882
Internal Services	87,866	87,866	84,682	3,184
Central Services	25,050	25,050	23,532	1,518
Insurance and Judgments	183,801	183,801	193,014	(9,213)
Debt Services	78,901	78,901	53,023	25,878
Other Support Services	244,069	244,069	282,580	(38,511)
Total Support Services	<u>6,500,144</u>	<u>6,500,144</u>	<u>6,862,936</u>	<u>(362,792)</u>
<b>Nonprogram:</b>				
Purchased Instructional Services	1,453,070	1,453,070	1,469,431	(16,361)
Other Nonprogram	-	-	22,108	(22,108)
Total Nonprogram	<u>1,453,070</u>	<u>1,453,070</u>	<u>1,491,539</u>	<u>(38,469)</u>
Total Expenditures	<u>15,159,618</u>	<u>15,159,618</u>	<u>15,606,892</u>	<u>(447,274)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	71,147	71,147
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	-	-	23,743	23,743
Sale of Capital Assets	5,000	5,000	25,878	20,878
Transfers Out	-	-	(50,000)	(50,000)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>(379)</u>	<u>(5,379)</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,000	5,000	70,768	65,768
Fund Balance - Beginning of Year	<u>3,650,249</u>	<u>3,650,249</u>	<u>3,650,249</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,655,249</u>	<u>\$ 3,655,249</u>	<u>\$ 3,721,017</u>	<u>\$ 65,768</u>

See accompanying Notes to Required Supplementary Information.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF  
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)  
LAST TEN MEASUREMENT PERIODS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.04192931%	\$ 2,221,290	\$ 7,729,813	28.74%	95.72%
12/31/2021	0.04114377%	(3,316,263)	7,288,930	45.50%	106.02%
12/31/2020	0.04065991%	(2,538,454)	6,821,909	37.21%	105.26%
12/31/2019	0.04110957%	(1,325,560)	6,440,791	20.58%	102.96%
12/31/2018	0.04182677%	1,488,065	6,285,077	23.68%	96.45%
12/31/2017	0.04294530%	(1,273,886)	6,275,257	20.30%	102.93%
12/31/2016	0.04411217%	363,590	6,133,239	5.93%	99.12%
12/31/2015	0.04549624%	739,305	6,259,991	11.81%	98.20%
12/31/2014	0.04659001%	(1,144,378)	6,411,811	17.85%	102.74%

See accompanying Notes to Required Supplementary Information.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 512,982	\$ (512,982)	\$ -	\$ 7,715,679	6.65%
6/30/2022	500,935	(500,935)	-	7,566,347	6.62%
6/30/2021	476,553	(476,553)	-	7,060,047	6.75%
6/30/2020	438,607	(438,607)	-	6,591,351	6.65%
6/30/2019	421,535	(421,535)	-	6,365,132	6.62%
6/30/2018	422,555	(422,555)	-	6,261,189	6.75%
6/30/2017	404,458	(404,458)	-	6,166,198	6.56%
6/30/2016	412,821	(412,821)	-	6,164,624	6.70%
6/30/2015	439,375	(439,375)	-	6,370,549	6.90%

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

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

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

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

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

See accompanying Notes to Required Supplementary Information.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY (ASSET) AND RELATED RATIOS  
LAST TEN MEASUREMENT PERIODS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>							
Service Cost	\$ 62,127	\$ 62,127	\$ 59,457	\$ 41,661	\$ 53,997	\$ 44,017	\$ 37,215
Interest	43,210	44,101	47,340	38,358	25,908	19,645	29,190
Changes of Benefit Terms	-	-	-	-	-	-	(326,954)
Differences Between Expected and Actual Experience	-	-	91,961	-	(228,465)	-	(72,047)
Changes of Assumptions or Other Input	-	(20,051)	(246,164)	66,386	(41,537)	(53,050)	(30,400)
Benefit Payments	(111,446)	(48,293)	(116,669)	(103,634)	(90,482)	(75,991)	(16,656)
<b>Net Change in Total OPEB Liability</b>	<u>(6,109)</u>	<u>37,884</u>	<u>(164,075)</u>	<u>42,771</u>	<u>(280,579)</u>	<u>(65,379)</u>	<u>(379,652)</u>
<b>Total OPEB Liability - Beginning</b>	<u>1,259,218</u>	<u>1,253,109</u>	<u>1,290,993</u>	<u>1,126,918</u>	<u>1,169,689</u>	<u>889,110</u>	<u>823,731</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,253,109</u>	<u>\$ 1,290,993</u>	<u>\$ 1,126,918</u>	<u>\$ 1,169,689</u>	<u>\$ 889,110</u>	<u>\$ 823,731</u>	<u>\$ 444,079</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 214,473	\$ -	\$ 235,959	\$ 216,950	\$ 176,950	\$ 68,789	\$ -
Net Investment Income	3,840	7,601	13,537	15,782	4,921	8,491	5,202
Benefit Payments	(111,446)	(48,293)	(116,669)	(103,634)	(90,482)	(75,991)	(16,656)
Administrative Expense	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(522,600)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>106,867</u>	<u>(40,692)</u>	<u>132,827</u>	<u>129,098</u>	<u>91,389</u>	<u>1,289</u>	<u>(534,054)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>484,175</u>	<u>591,042</u>	<u>550,350</u>	<u>683,177</u>	<u>812,275</u>	<u>903,664</u>	<u>904,953</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 591,042</u>	<u>\$ 550,350</u>	<u>\$ 683,177</u>	<u>\$ 812,275</u>	<u>\$ 903,664</u>	<u>\$ 904,953</u>	<u>\$ 370,899</u>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	<u>\$ 662,067</u>	<u>\$ 740,643</u>	<u>\$ 443,741</u>	<u>\$ 357,414</u>	<u>\$ (14,554)</u>	<u>\$ (81,222)</u>	<u>\$ 73,180</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	47.17%	42.63%	60.62%	69.44%	101.64%	109.86%	83.52%
<b>Covered Employee Payroll</b>	\$ 4,031,069	\$ 4,031,069	\$ 5,886,120	\$ 5,886,120	\$ 6,440,482	\$ 6,440,482	\$ 6,796,773
<b>District's Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	16.42%	18.37%	7.54%	6.07%	-0.23%	-1.26%	1.08%

**Changes in Benefit Terms**

The Plan's benefit terms have changed since the prior valuation, therefore a change in benefit terms was calculated causing a decrease in the Total OPEB Liability. Specifically, as of June 30, 2023, the District has fully-funded all transitional HRA benefits which were previously valued and included in this OPEB valuation.

Differences between expected and actual experience resulted in a decrease in the Total OPEB Liability. Changes of assumptions or other outputs also resulted in a decrease in the Total OPEB Liability. These changes included updated WRS decrement assumptions, assumed discount rate, health care trend and the assumed number of dependents covered under family coverage used in calculating the expected per capital claims cost. The increase in deferred inflows of resources from these two sources is to be recognized over the average of the expected remaining service lives of active and inactive employees. The Plan has an average expected remaining service life of 12 years.

The net difference between projected and actual earnings on OPEB plan investments resulted in an actuarial loss due to earning being less than expected. This loss is to be recognized as an outflow of resources over a 5-year period.

**Changes of Assumptions:**

- 2018 – No significant change in assumptions from the prior year were noted.
- 2019 – The discount rate changed from 3.75% in 2017-18 to 3.50% in 2018-19.
- 2020 – The discount rate was changed from 3.50% in 2018-19 to 1.76% in 2019-20.
- 2021 – The discount rate was changed from 1.76% in 2019-20 to 2.25% in 2020-21.
- 2022 – The discount rate was changed from 2.25% in 2020-21 to 3.50% in 2021-22.
- 2023 – The discount rate was changed from 3.50% in 2021-22 to 3.75% in 2022-23.

See accompanying Notes to Required Supplementary Information.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO OPEB PLAN  
LAST TEN FISCAL YEARS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (ADC)	\$ 235,959	\$ 235,959	\$ 216,950	\$ 216,950	\$ 175,603	\$ -	\$ 28,760
Contributions in Relation to the Actuarially Determined Contribution	214,473	-	235,959	216,950	176,950	68,789	-
Contribution Deficiency (Excess)	<u>\$ 21,486</u>	<u>\$ 235,959</u>	<u>\$ (19,009)</u>	<u>\$ -</u>	<u>\$ (1,347)</u>	<u>\$ (68,789)</u>	<u>\$ 28,760</u>
Covered Employee Payroll	\$ 4,031,069	\$ 4,031,069	\$ 5,886,120	\$ 5,886,120	\$ 6,440,482	\$ 6,440,482	\$ 6,796,773
Contributions as a Percentage of Covered Employee Payroll	5.32%	0.00%	4.01%	3.69%	2.75%	1.07%	0.00%

**Notes to Schedule**

Valuation Dated: June 30, 2022

Measurement Dated: June 30, 2023

Report Dated: June 30, 2023

Methods and assumptions used to determine contribution rates:

Methods and assumptions used to determine contribution rates:

Actuary Cost Method	Entry Age Normal
Amortization Method	1 year Level \$
Asset Valuation Method	Market Value
Inflation	2.5%
Healthcare Cost Trend Rates	7.0% decreasing to 6.5%, then decreasing 0.10% per year down to 4.5%, and level thereafter
Salary Increases	3.00%
Discount Rate	3.75%
Investment Rate of Return	3.75%
Plan Participation	40% of future retirees
Actuarial Assumptions:	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

See accompanying Notes to Required Supplementary Information.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF DISTRICT'S INVESTMENT RETURNS ON OPEB PLAN ASSETS  
LAST TEN FISCAL YEARS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>Year</u>	
2017	0.50%
2018	0.95%
2019	1.56%
2020	1.76%
2021	0.56%
2022	1.43%
2023	1.93%



**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The District's legally adopted budget and budgetary expenditure control is exercised at the one digit function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- 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.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the 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.
- Appropriations lapse at year-end unless authorized as a carryover by the school board.

Budget amounts in the financial statements include both the original adopted budget and the final budget.

**EXCESS OF EXPENDITURES OVER BUDGET**

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of the functions are shown in that schedule.

## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
COMBINING BUDGETARY COMPARISON SCHEDULE  
FUND 10 AND FUND 27  
YEAR ENDED JUNE 30, 2023**

	Original Budgets				Final Budgets				Actuals			
	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals
	General	Special			General	Special			General	Special		
	Fund	Education Fund	Adjustments		Fund	Education Fund			Fund	Education Fund		
<b>REVENUES</b>												
Local Sources:												
Property Taxes	\$ 9,222,455	\$ -	\$ -	\$ 9,222,455	\$ 9,222,455	\$ -	\$ -	\$ 9,222,455	\$ 9,222,455	\$ -	\$ -	\$ 9,222,455
Other Local Sources	100,500	-	-	100,500	100,500	-	-	100,500	227,687	-	-	227,687
Interdistrict Sources	896,908	-	-	896,908	896,908	-	-	896,908	877,804	-	-	877,804
Intermediate Sources	17,139	-	-	17,139	17,139	-	-	17,139	25,105	-	-	25,105
State Sources	3,066,861	397,102	-	3,463,963	3,066,861	397,102	-	3,463,963	3,269,120	541,066	-	3,810,186
Federal Sources	1,014,427	350,726	-	1,365,153	1,014,427	350,726	-	1,365,153	1,182,043	271,925	-	1,453,968
Other Sources	93,500	-	-	93,500	93,500	-	-	93,500	60,834	-	-	60,834
Total Revenues	14,411,790	747,828	-	15,159,618	14,411,790	747,828	-	15,159,618	14,865,048	812,991	-	15,678,039
<b>EXPENDITURES</b>												
Instruction:												
Undifferentiated Curriculum	2,321,972	-	-	2,321,972	2,321,972	-	-	2,321,972	2,315,969	-	-	2,315,969
Regular Curriculum	2,574,288	-	-	2,574,288	2,574,288	-	-	2,574,288	2,521,673	-	-	2,521,673
Vocational Curriculum	221,185	600	-	221,785	221,185	600	-	221,785	232,518	6,484	-	239,002
Physical Curriculum	400,269	-	-	400,269	400,269	-	-	400,269	384,165	-	-	384,165
Special Education Curriculum	-	1,192,969	-	1,192,969	-	1,192,969	-	1,192,969	-	1,234,986	-	1,234,986
Co-Curricular Activities	389,898	-	-	389,898	389,898	-	-	389,898	454,635	-	-	454,635
Other Special Needs	105,223	-	-	105,223	105,223	-	-	105,223	101,987	-	-	101,987
Total Instruction	6,012,835	1,193,569	-	7,206,404	6,012,835	1,193,569	-	7,206,404	6,010,947	1,241,470	-	7,252,417
Support Services:												
Pupil Services	451,450	205,396	-	656,846	451,450	205,396	-	656,846	449,319	277,657	-	726,976
Instructional Staff Services	786,648	210,270	-	996,918	786,648	210,270	-	996,918	688,498	171,190	-	859,688
General Administration	352,488	-	-	352,488	352,488	-	-	352,488	367,663	6,626	-	374,289
School Building Administration	820,175	-	-	820,175	820,175	-	-	820,175	836,897	-	-	836,897
Business Administration	351,488	-	-	351,488	351,488	-	-	351,488	362,653	-	-	362,653
Operation and Maintenance	1,639,122	-	-	1,639,122	1,639,122	-	-	1,639,122	2,233,064	-	-	2,233,064
Pupil Transportation	928,420	135,000	-	1,063,420	928,420	135,000	-	1,063,420	718,566	113,972	-	832,538
Internal Services	87,866	-	-	87,866	87,866	-	-	87,866	84,682	-	-	84,682
Central Services	25,050	-	-	25,050	25,050	-	-	25,050	23,532	-	-	23,532
Insurance and Judgments	183,801	-	-	183,801	183,801	-	-	183,801	193,014	-	-	193,014
Debt Services	78,901	-	-	78,901	78,901	-	-	78,901	53,023	-	-	53,023
Other Support Services	239,494	4,575	-	244,069	239,494	4,575	-	244,069	282,184	396	-	282,580
Total Support Services	5,944,903	555,241	-	6,500,144	5,944,903	555,241	-	6,500,144	6,293,095	569,841	-	6,862,936
Nonprogram:												
Purchased Instructional Services	1,369,052	84,018	-	1,453,070	1,369,052	84,018	-	1,453,070	1,385,430	84,001	-	1,469,431
Other Nonprogram	-	-	-	-	-	-	-	-	22,108	-	-	22,108
Total Nonprogram	1,369,052	84,018	-	1,453,070	1,369,052	84,018	-	1,453,070	1,407,538	84,001	-	1,491,539
Total Expenditures	13,326,790	1,832,828	-	15,159,618	13,326,790	1,832,828	-	15,159,618	13,711,580	1,895,312	-	15,606,892
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,085,000	(1,085,000)	-	-	1,085,000	(1,085,000)	-	-	1,153,468	(1,082,321)	-	71,147
<b>OTHER FINANCING SOURCES (USES)</b>												
Leases	-	-	-	-	-	-	-	-	23,743	-	-	23,743
Sale of Capital Assets	5,000	-	-	5,000	5,000	-	-	5,000	25,878	-	-	25,878
Transfers In	-	1,085,000	(1,085,000)	-	-	1,085,000	(1,085,000)	-	-	1,082,321	(1,082,321)	-
Transfers Out	(1,085,000)	-	1,085,000	-	(1,085,000)	-	1,085,000	-	(1,132,321)	-	1,082,321	(50,000)
Total Other Financing Sources (Uses)	(1,080,000)	1,085,000	-	5,000	(1,080,000)	1,085,000	-	5,000	(1,082,700)	1,082,321	-	(379)
<b>NET CHANGE IN FUND BALANCE</b>	5,000	-	-	5,000	5,000	-	-	5,000	70,768	-	-	70,768
Fund Balance - Beginning of Year	3,650,249	-	-	3,650,249	3,650,249	-	-	3,650,249	3,650,249	-	-	3,650,249
<b>FUND BALANCE - END OF YEAR</b>	\$ 3,655,249	\$ -	\$ -	\$ 3,655,249	\$ 3,655,249	\$ -	\$ -	\$ 3,655,249	\$ 3,721,017	\$ -	\$ -	\$ 3,721,017

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 10  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 9,222,455	\$ 9,222,455	\$ 9,222,455	\$ -
Other Local Sources	100,500	100,500	227,687	127,187
Interdistrict Sources	896,908	896,908	877,804	(19,104)
Intermediate Sources	17,139	17,139	25,105	7,966
State Sources	3,066,861	3,066,861	3,269,120	202,259
Federal Sources	1,014,427	1,014,427	1,182,043	167,616
Other Sources	93,500	93,500	60,834	(32,666)
Total Revenues	<u>14,411,790</u>	<u>14,411,790</u>	<u>14,865,048</u>	<u>453,258</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Undifferentiated Curriculum	2,321,972	2,321,972	2,315,969	6,003
Regular Curriculum	2,574,288	2,574,288	2,521,673	52,615
Vocational Curriculum	221,185	221,185	232,518	(11,333)
Physical Curriculum	400,269	400,269	384,165	16,104
Co-Curricular Activities	389,898	389,898	454,635	(64,737)
Other Special Needs	105,223	105,223	101,987	3,236
Total Instruction	<u>6,012,835</u>	<u>6,012,835</u>	<u>6,010,947</u>	<u>1,888</u>
<b>Support Services:</b>				
Pupil Services	451,450	451,450	449,319	2,131
Instructional Staff Services	786,648	786,648	688,498	98,150
General Administration	352,488	352,488	367,663	(15,175)
School Building Administration	820,175	820,175	836,897	(16,722)
Business Administration	351,488	351,488	362,653	(11,165)
Operation and Maintenance	1,639,122	1,639,122	2,233,064	(593,942)
Pupil Transportation	928,420	928,420	718,566	209,854
Internal Services	87,866	87,866	84,682	3,184
Central Services	25,050	25,050	23,532	1,518
Insurance and Judgments	183,801	183,801	193,014	(9,213)
Debt Services	78,901	78,901	53,023	25,878
Other Support Services	239,494	239,494	282,184	(42,690)
Total Support Services	<u>5,944,903</u>	<u>5,944,903</u>	<u>6,293,095</u>	<u>(348,192)</u>
<b>Nonprogram:</b>				
Purchased Instructional Services	1,369,052	1,369,052	1,385,430	(16,378)
Other Nonprogram	-	-	22,108	(22,108)
Total Nonprogram	<u>1,369,052</u>	<u>1,369,052</u>	<u>1,407,538</u>	<u>(38,486)</u>
Total Expenditures	<u>13,326,790</u>	<u>13,326,790</u>	<u>13,711,580</u>	<u>(384,790)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,085,000	1,085,000	1,153,468	68,468
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	-	-	23,743	23,743
Sale of Capital Assets	5,000	5,000	25,878	20,878
Transfers Out	(1,085,000)	(1,085,000)	(1,132,321)	(47,321)
Total Other Financing Sources (Uses)	<u>(1,080,000)</u>	<u>(1,080,000)</u>	<u>(1,082,700)</u>	<u>(2,700)</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,000	5,000	70,768	65,768
Fund Balance - Beginning of Year	<u>3,650,249</u>	<u>3,650,249</u>	<u>3,650,249</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,655,249</u>	<u>\$ 3,655,249</u>	<u>\$ 3,721,017</u>	<u>\$ 65,768</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 27  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State Sources	\$ 397,102	\$ 397,102	\$ 541,066	\$ 143,964
Federal Sources	350,726	350,726	271,925	(78,801)
Total Revenues	<u>747,828</u>	<u>747,828</u>	<u>812,991</u>	<u>65,163</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Vocational Curriculum	600	600	6,484	(5,884)
Special Education Curriculum	1,192,969	1,192,969	1,234,986	(42,017)
Total Instruction	<u>1,193,569</u>	<u>1,193,569</u>	<u>1,241,470</u>	<u>(47,901)</u>
<b>Support Services:</b>				
Pupil Services	205,396	205,396	277,657	(72,261)
Instructional Staff Services	210,270	210,270	171,190	39,080
General Administration	-	-	6,626	(6,626)
Pupil Transportation	135,000	135,000	113,972	21,028
Other Support Services	4,575	4,575	396	4,179
Total Support Services	<u>555,241</u>	<u>555,241</u>	<u>569,841</u>	<u>(14,600)</u>
<b>Nonprogram:</b>				
Purchased Instructional Services	84,018	84,018	84,001	17
Total Expenditures	<u>1,832,828</u>	<u>1,832,828</u>	<u>1,895,312</u>	<u>(62,484)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,085,000)	(1,085,000)	(1,082,321)	2,679
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,085,000	1,085,000	1,082,321	(2,679)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds							Capital Improvement Trust Program	Total Nonmajor Governmental Funds
	Community Services								
	Education Trust	Special Projects	Food Service	Adult Recreation and Education	Drivers Education	Pool	After School Program		
<b>ASSETS</b>									
Cash and Investments	\$ 256,915	\$ -	\$ 251,437	\$ 256,280	\$ 51,462	\$ 110,841	\$ 118,459	\$ 383,366	\$ 1,428,760
Due from Other Governments	-	26,781	29,027	-	-	-	-	-	55,808
Due from Other Governmental Funds	-	-	-	-	-	-	-	50,000	50,000
Due from Fiduciary Funds	-	-	2,080	-	-	-	-	-	2,080
<b>Total Assets</b>	<b>\$ 256,915</b>	<b>\$ 26,781</b>	<b>\$ 282,544</b>	<b>\$ 256,280</b>	<b>\$ 51,462</b>	<b>\$ 110,841</b>	<b>\$ 118,459</b>	<b>\$ 433,366</b>	<b>\$ 1,536,648</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts Payable	\$ -	\$ -	\$ 1,973	\$ -	\$ -	\$ 2,372	\$ 304	\$ -	\$ 4,649
Accrued Salaries and Wages	-	2,083	-	1,843	-	2,159	-	-	6,085
Payroll Taxes and Withholdings	-	550	-	615	-	310	-	-	1,475
Due to Other Governmental Funds	-	24,148	-	-	-	-	-	-	24,148
Unearned Revenue	-	-	8,786	-	-	-	-	-	8,786
<b>Total Liabilities</b>	<b>-</b>	<b>26,781</b>	<b>10,759</b>	<b>2,458</b>	<b>-</b>	<b>4,841</b>	<b>304</b>	<b>-</b>	<b>45,143</b>
<b>Fund Balances:</b>									
Restricted	256,915	-	271,785	253,822	51,462	106,000	118,155	433,366	1,491,505
<b>Total Liabilities and Fund Balances</b>	<b>\$ 256,915</b>	<b>\$ 26,781</b>	<b>\$ 282,544</b>	<b>\$ 256,280</b>	<b>\$ 51,462</b>	<b>\$ 110,841</b>	<b>\$ 118,459</b>	<b>\$ 433,366</b>	<b>\$ 1,536,648</b>

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds								Total Nonmajor Governmental Funds
	Community Services						Capital Improvement Trust Fund		
	Education Trust	Special Projects	Food Service	Adult Recreation and Education	Drivers Education	Pool			
<b>REVENUES</b>									
Local Sources:									
Property Taxes	\$ -	\$ -	\$ -	\$ 147,730	\$ 16,830	\$ 125,359	\$ 93,659	\$ -	\$ 383,578
Other Local Sources	178,105	-	145,121	50,640	-	11,703	-	2,885	388,454
State Sources	-	-	14,389	-	-	-	-	-	14,389
Federal Sources	-	26,781	596,471	-	-	-	-	-	623,252
<b>Total Revenues</b>	<b>178,105</b>	<b>26,781</b>	<b>755,981</b>	<b>198,370</b>	<b>16,830</b>	<b>137,062</b>	<b>93,659</b>	<b>2,885</b>	<b>1,409,673</b>
<b>EXPENDITURES</b>									
Instruction:									
Regular Instruction	2,905	-	-	-	-	-	-	-	2,905
Special Instruction	-	26,781	-	-	-	-	-	-	26,781
Other Instruction	139,886	-	-	-	-	-	-	-	139,886
Support Services:									
Operation and Maintenance of Plant	-	-	-	-	-	76,083	704	-	76,787
Food Service	-	-	783,349	-	-	-	-	-	783,349
Debt Services	-	-	-	-	-	-	60,000	-	60,000
Other Support Services	-	-	-	11,910	-	-	-	-	11,910
Community Services	-	-	-	182,465	16,839	58,805	16,841	-	274,950
Post-Secondary Scholarships	14,150	-	-	-	-	-	-	-	14,150
<b>Total Expenditures</b>	<b>156,941</b>	<b>26,781</b>	<b>783,349</b>	<b>194,375</b>	<b>16,839</b>	<b>134,888</b>	<b>77,545</b>	<b>-</b>	<b>1,390,718</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>21,164</b>	<b>-</b>	<b>(27,368)</b>	<b>3,995</b>	<b>(9)</b>	<b>2,174</b>	<b>16,114</b>	<b>2,885</b>	<b>18,955</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	50,000	50,000
<b>NET CHANGE IN FUND BALANCES</b>	<b>21,164</b>	<b>-</b>	<b>(27,368)</b>	<b>3,995</b>	<b>(9)</b>	<b>2,174</b>	<b>16,114</b>	<b>52,885</b>	<b>68,955</b>
Fund Balances - Beginning of Year	235,751	-	299,153	249,827	51,471	103,826	102,041	380,481	1,422,550
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 256,915</b>	<b>\$ -</b>	<b>\$ 271,785</b>	<b>\$ 253,822</b>	<b>\$ 51,462</b>	<b>\$ 106,000</b>	<b>\$ 118,155</b>	<b>\$ 433,366</b>	<b>\$ 1,491,505</b>



**UNITY SCHOOL DISTRICT  
 BALSAM LAKE, WISCONSIN  
 DEBT SERVICE FUND  
 DETAILED BALANCE SHEET  
 JUNE 30, 2023**

	Referendum Debt Service	Nonreferendum Debt Service	Total
<b>ASSETS</b>			
Cash and Investments	\$ 283,424	\$ 10,934	\$ 294,358
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Fund Balances:</b>			
Restricted	\$ 283,424	\$ 10,934	\$ 294,358

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
DEBT SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	<u>Referendum Debt Service</u>	<u>Nonreferendum Debt Service</u>	<u>Total</u>
<b>REVENUES</b>			
Local Sources:			
Property Taxes	\$ 1,195,462	\$ 94,811	\$ 1,290,273
Other Local Sources	1,942	-	1,942
Total Revenues	<u>1,197,404</u>	<u>94,811</u>	<u>1,292,215</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal Retirement	1,091,875	81,000	1,172,875
Interest and Fiscal Fees	308,412	14,754	323,166
Debt Issuance Costs	13,150	-	13,150
Total Expenditures	<u>1,413,437</u>	<u>95,754</u>	<u>1,509,191</u>
<b>NET CHANGE IN FUND BALANCES</b>	(216,033)	(943)	(216,976)
Fund Balances - Beginning of Year	<u>499,457</u>	<u>11,877</u>	<u>511,334</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 283,424</u>	<u>\$ 10,934</u>	<u>\$ 294,358</u>

**SINGLE AUDIT SECTION**

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2022	Total Federal Expenditures	Grant Reimbursements	Accrued Receivable (Unearned Revenue) June 30, 2023	
<u>U.S. Department of Agriculture</u>									
Wisconsin Department of Public Instruction:									
Local Food for Schools	10.185	WI DPI	N/A	\$ -	\$ -	\$ 786	\$ -	\$ 786	
Child Nutrition Cluster:									
School Breakfast Program	10.553	*	WI DPI	2023-480238-DPI-SB-SEVERE-546	-	-	106,183	106,183	-
Noncash Commodities	10.555	*	WI DPI	A001-00000-480238	-	-	61,349	61,349	-
NSL Snack Program	10.555	*	WI DPI	2023-480238-DPI-SK_NSLAE-566	-	-	2,573	2,573	-
National School Lunch Program	10.555	*	WI DPI	2023-480238-DPI-NSL-547	-	-	353,917	353,917	-
Summer Lunch Program	10.559	*	WI DPI	2023-480238-DPI-SFSP-586	-	-	50,325	21,565	28,760
COVID 19 - Summer Food Service Program for Children	10.559	*	WI DPI	2022-480238-DPI-SFSP-586	-	27,518	-	27,518	-
Total Summer Lunch Program					-	27,518	50,325	49,083	28,760
Fresh Fruit and Vegetable Program - July	10.582	*	WI DPI	2023-480238-DPI-FFVP-July-594	-	-	3,677	3,677	-
Fresh Fruit and Vegetable Program - October	10.582	*	WI DPI	2023-480238-DPI-FFVP-Oct-376	-	-	17,660	17,660	-
Total Child Nutrition Cluster					-	27,518	595,684	594,442	28,760
Farm to School Grant Program	10.575		DIRECT	0503459900000	-	41,547	-	41,547	-
Total Department of Agriculture					-	69,065	596,470	635,989	29,546
<u>U.S. Department of Education</u>									
Direct Grant:									
Impact Aid	84.041		DIRECT	N/A	-	-	192,552	192,552	-
Indian Education	84.060		DIRECT	N/A	-	16,004	26,781	16,004	26,781
Wisconsin Department of Public Instruction:									
ESEA Title I-A Basic Grant	84.010		WI DPI	2023-480238-DPI-TIA-141	-	183,177	181,967	183,177	181,967
Special Education Cluster:									
IDEA Flow Through	84.027		WI DPI	2023-480238-DPI-FLOW-341	-	156,498	239,998	156,498	239,998
IDEA Preschool Entitlement	84.173		WI DPI	2023-480238-DPI-PRESCH-347	-	6,000	6,000	6,000	6,000
Total Special Education Cluster					-	162,498	245,998	162,498	245,998

\* Tested as major federal program

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2022	Total Federal Expenditures	Grant Reimbursements	Accrued Receivable (Unearned Revenue) June 30, 2023
<u>U.S. Department of Education (Continued)</u>								
Wisconsin Department of Public Instruction (Continued):								
ESEA Title II-A Teacher and Principal Training and Recruiting Fund	84.367	WI DPI	2023-480238-DPI-TIIA-365	\$ -	\$ 32,653	\$ 34,776	\$ 32,653	\$ 34,776
Title IV-A Student Support and Academic Enrichment Grant	84.424	WI DPI	2023-480238-DPI-TIVA-381	-	16,909	14,186	16,909	14,186
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D *	WI DPI	2022-480238-DPI-ESSERFII-163	-	375,115	313,568	618,075	70,608
COVID-19 - Elementary and Secondary School Emergency Relief Fund III	84.425U *	WI DPI	2022-480238-DPI-ESSERFIII-165	-	140,654	343,162	140,654	343,162
COVID-19 - ARPA Homeless Children and Youth I Total Education Stabilization Aid	84.425W *	WI DPI	2022-480238-DPI-ARPHCYI-168	-	30,000	-	30,000	-
				<u>-</u>	<u>545,769</u>	<u>656,730</u>	<u>788,729</u>	<u>413,770</u>
Total Wisconsin Department of Public Instruction				-	941,006	1,133,657	1,183,966	890,697
Total Department of Education				-	957,010	1,352,990	1,392,522	917,478
<u>U.S. Department of Health and Human Services</u>								
Cooperative Educational Service Agency No. 11								
Public Health Emergency Response Cooperative Agreement for Emergency Response: Public Health Response	93.354	CESA #11	N/A	-	-	3,849	-	3,849
Wisconsin Department of Health Services:								
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44230700	-	203	83,385	78,258	5,330
Total U.S. Department of Health and Human Services				<u>-</u>	<u>203</u>	<u>87,234</u>	<u>78,258</u>	<u>9,179</u>
Total Federal Program Awards				<u>\$ -</u>	<u>\$ 1,026,278</u>	<u>\$ 2,036,694</u>	<u>\$ 2,106,769</u>	<u>\$ 956,203</u>

\* Tested as major federal program

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2023**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity	Pass-Through Identifying Number	Accrued Receivable (Unearned Revenue) July 1, 2022	Expenditures	State Reimbursements	Accrued Receivable (Unearned Revenue) June 30, 2023
<u>Wisconsin Department of Workforce Development</u>							
Cost Reimbursement Programs - Nonmajor:							
Direct Grant:							
Youth Apprenticeship Grant	455.107	CESA #11	FY 2022	\$ 9,082	\$ 14,108	\$ 22,419	\$ 771
<u>Wisconsin Department of Public Instruction</u>							
Major State Programs:							
Handicapped Pupils and School Age Parents:							
Internal District Programs	255.101	[1]	WI DPI	480238-100	-	500,203	500,203
General Equalization	255.201		WI DPI	480238-116	-	1,230,615	1,230,615
Special Aid Adjustment	255.203		WI DPI	480238-118	-	319,947	319,947
Achievement Gap Reduction	255.504		WI DPI	480238-160	-	413,437	413,437
Per Pupil Aid	255.945		WI DPI	480238-113	-	733,838	733,838
Total Major State Programs				-	3,198,040	3,198,040	-
Nonmajor State Programs:							
State Lunch	255.102		WI DPI	480238-107	-	5,844	5,844
Common School Fund	255.103		WI DPI	480238-104	-	63,344	63,344
Pupil Transportation	255.107		WI DPI	480238-102	-	75,960	75,960
Morning Milk Program	255.109		WI DPI	480238-109	-	4,453	4,453
High Cost Special Education Aid	255.210		WI DPI	480238-119	-	14,673	14,673
Special Education Transition Readiness Grant	255.257		WI DPI	480238-174	-	17,591	-
School Based Mental Health Services	255.297		WI DPI	480238-177	31,659	46,938	31,659
Peer Review and Mentoring	255.301		CESA #11	FY 2021	17,010	1,659	18,669
AODA Program Grants	255.321		WI DPI	480238-142	1,200	-	1,200
School Breakfast Program	255.344		WI DPI	480238-108	-	4,092	4,092
Tribal Language Revitalization Grant	255.364		WI DPI	480238-155	24,000	22,000	24,000
High-Poverty Aid	255.926		WI DPI	480238-121	-	54,235	54,235
Educator Effectiveness Grant	255.940		WI DPI	480238-154	6,960	7,040	6,960
High Cost Transportation Aid	255.947		WI DPI	480238-114	-	238,930	238,930
Career and Technical Education Incentive Grant	255.950		WI DPI	480238-152	16,035	11,992	28,027
Assessments of Reading Readiness Grant	255.956		WI DPI	480238-166	-	5,303	5,303
Robotics League Participation Grant	255.959		WI DPI	480238-167	-	2,282	2,282
Aid for Special Education Transition Grant	255.960		WI DPI	480238-168	-	8,599	-
Total Nonmajor State Programs				96,864	584,935	588,230	93,569
Total State Financial Assistance				\$ 105,946	\$ 3,797,083	\$ 3,808,689	\$ 94,340

[1] District's 2022-23 Aidable Costs Reported to DPI Totaled \$1,580,528.

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE ASSISTANCE  
JUNE 30, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, which in certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and the State Single Audit Guidelines. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

**NOTE 3 FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

**NOTE 4 INDIRECT COSTS**

The District has not elected to use the 10% de minimis indirect cost rate.



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

Board of Education  
Unity School District  
Balsam Lake, 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 Unity School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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



### **Report on Compliance and Other Matters**

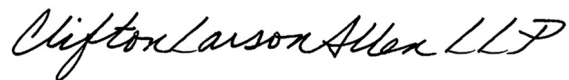
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

### **Unity School District's Responses to Findings**

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

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
December 19, 2023



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

Board of Education  
Unity School District  
Balsam Lake, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Unity School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the 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 the 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 the *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 the 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 the *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 Unity 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 Unity School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Unity 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**

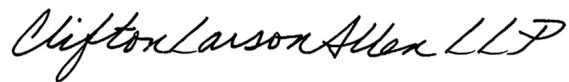
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Board of Education  
Unity School District

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.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
December 19, 2023

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

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**Financial Statements**

***Financial Statements***

- |  |                       |                             |
|--|-----------------------|-----------------------------|
| 1. Type of auditors' report issued                       | Unmodified            |                             |
| 2. Internal control over financial reporting:            |                       |                             |
| * Material weakness(es) identified?                      | <u>    X    </u> Yes  | <u>          </u> No        |
| * Significant deficiency(es) identified?                 | <u>          </u> Yes | <u>    X    </u> None Noted |
| 3. Noncompliance material to financial statements noted? | <u>          </u> Yes | <u>    X    </u> No         |

***Federal Awards***

- |   |                       |                             |
|---|-----------------------|-----------------------------|
| 1. Internal control over major programs:  |                       |                             |
| * Material weakness(es) identified?   | <u>          </u> Yes | <u>    X    </u> No         |
| * Significant deficiency(es) identified?  | <u>          </u> Yes | <u>    X    </u> None Noted |
| 2. Type of auditors' report issued on compliance for major programs                                   | Unmodified            |                             |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)? | <u>          </u> Yes | <u>    X    </u> No         |

***Identification of Major Federal Program***

**Assistance Listing Number(s)**

10.553, 10.555, 10.559 and 10.582  
84.425D, 84.425U, 84.425W

**Name of Federal Program or Cluster**

Child Nutrition Cluster  
Education Stabilization Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?            Yes     X     No

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

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**State Financial Assistance**

1. Internal control over major programs:

- \* Material weakness(es) identified?
- \* Significant deficiency(es) identified?

_____ Yes	X	No
_____ Yes	X	None Reported

Type of auditors' report issued on compliance for major projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with state requirements?

_____ Yes	X	No
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**Identification of Major State Projects**

**CSFA Number(s)**

255.101  
255.201  
255.203  
255.504  
255.945

**Name of State Project**

Handicapped Pupils and School Age Parents  
General Equalization Aids  
Special Aid Adjustment  
Achievement Gap Reduction  
Per Pupil Adjustment Aid

Dollar threshold used to distinguish between Type A and Type B state projects:

\$250,000

1. Does the auditors' report or the notes to the financial statements include 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 noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *Wisconsin Public School District Audit Manual*:


Department of Public Instruction  
Department of Workforce Development

No  
No

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

No

4. Name and signature of Signing Director

  
Daniel R. Carlson, CPA

5. Date of Report

December 19, 2023

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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*SECTION II - FINANCIAL STATEMENT FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCING REPORTING*

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**FINDING: 2023-001 Limited Segregation of Duties**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** The auditors noted during the audit that the available staff precludes a proper separation of duties to assure adequate internal control.

**Criteria:** Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

**Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud that would not be detected or prevented by District staff.

**Cause:** The condition is due to limited staff available.

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

**Recommendation:** The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

**Views of Responsible Officials and Planned Corrective Actions:** The District will continue to work to achieve segregation of duties whenever cost effective. The District's Administrator is the official responsible for ensuring corrective action of the deficiency.

**UNITY SCHOOL DISTRICT  
BALSAM LAKE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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**SECTION II - FINANCIAL STATEMENT FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCING REPORTING**

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**FINDING: 2023-002 Material Audit Adjustments**

- Type of Finding:** Material Weakness in Internal Control over Financial Reporting
- Criteria:** The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.
- Condition:** The audit firm proposed, and the District posted to its general ledger accounts journal entries for correcting certain misstatements.
- Context:** The District has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with accounting principles generally accepted in the United States of America (GAAP). Management will review and approve those entries prior to recording them.
- Cause:** The District has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.
- Effect:** The financial statements of the District may include inaccurate information not detected or prevented by District staff.
- Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-002.
- Recommendation:** The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

**Views of Responsible Officials and Planned Corrective Actions:** The District will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review, approve, and accept all audit entries prior to posting to the District's finance system. The District's Administrator is the official responsible for ensuring corrective action of the deficiency.

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**SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS**

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None.

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**SECTION IV - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS**

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None.

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**SECTION V - FINDINGS RELATED TO STATE GENERAL REQUIREMENTS**

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None.





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