

Monona Grove
School District
Monona, Wisconsin

Financial Report

Year Ended 6/30/2023

Monona Grove School District

Financial Statements and Supplementary Financial Information

Year Ended June 30, 2023

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Monona Grove School District
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2023

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Independent Auditor's Report

Board of Education
Monona Grove School District
Monona, Wisconsin

Report on 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 Monona Grove 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 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 Monona Grove School District, as of June 30, 2023, and the respective changes in financial position thereof 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 (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 Auditor's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditor's 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 auditor's 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 management's discussion and analysis, budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions – Wisconsin Retirement System and LRLIF, the schedule of changes in the net OPEB liability and related ratios and employer contributions - OPEB, and the schedule of changes in the total pension liability and related ratios - Single Employer Defined Benefit Pension plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Financial 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 combining statements and schedule of charter school authorizer operating costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining statements, schedule of charter school authorizer operating costs, and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024, on our consideration of the Monona Grove School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin
March 5, 2024

Monona Grove School District

Management's Discussion and Analysis

Year Ended June 30, 2023

This section of the Monona Grove School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's overall financial position, as reflected in total net position is \$33,747,158.
- Net position decreased \$340,923 during the year.
- In the governmental funds, the District's total fund balance decreased \$1,059,081 during the year. The General Fund balance decreased by \$2,906,534 and the Capital Projects fund balance increased \$1,146,705.

Overview of the Financial Statements

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

Government-Wide Financial Statements

- The government-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. As of June 30, 2023, the District had no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

Monona Grove School District

Management's Discussion and Analysis

Year Ended June 30, 2023

Fund Financial Statements

- The District also produces *fund financial statements*. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.
- There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. Generally, fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.
- Because the focus of fund financial statements is narrower than that of the government-wide statements, it is useful to make comparisons between the information presented. By doing so, readers may better understand the long-term implications of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The District has two kinds of funds: *governmental* and *fiduciary*. The District maintains individual governmental funds (general, special revenue, debt service, and capital projects) as needed. The District has one *fiduciary fund*.
- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* for the general fund, capital projects fund, and debt service funds since these funds are considered to be major funds. Data for the remaining governmental funds are combined into a single, aggregated column.
- The District serves as a trustee, or fiduciary, for the Employee Benefit Trust to account for post-employment benefits. The assets of these organizations and programs do not directly benefit nor are they under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.
- The District adopts an annual budget for all governmental funds. For financial statement reporting purposes, the general fund and special education fund are combined and reported as the general fund. A budgetary comparison statement for the general fund has been provided to demonstrate budget compliance.

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

Notes to the Financial Statements

- The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.
- The major features of the District's financial statements, including the portion of the activities reported and the type of information contained, are shown in the table below.

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

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

Financial Analysis

The District as a Whole

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,747,158 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (\$31,489,943 or 93 percent) reflects its net investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Monona Grove School District *Net Position*

Governmental Activities	2023	2022
Current and other assets	\$ 28,787,401	\$ 38,616,948
Capital assets	110,558,817	109,600,213
Total assets	139,346,218	148,217,161
Deferred outflows of resources	32,102,359	26,281,113
Long-term liabilities	103,038,354	99,880,527
Other liabilities	15,455,079	12,384,063
Total liabilities	118,493,433	112,264,590
Deferred inflows of resources	19,207,986	28,145,603
Net position:		
Net investment in capital assets	31,489,943	27,741,607
Restricted	4,072,648	15,111,730
Unrestricted	(1,815,433)	(8,765,256)
Total net position	\$ 33,747,158	\$ 34,088,081

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

The District as a Whole (Continued)

Monona Grove School District
Change in Net Position

Governmental Activities	2023	2022
<hr/>		
Revenues:		
Program revenues:		
Charges for services	\$ 6,874,744	\$ 4,872,197
Operating grants and contributions	9,582,317	7,905,404
General revenues:		
Property taxes	28,746,801	29,626,156
State aid-formula grants	19,504,404	18,026,256
Other	649,466	1,186,042
<hr/>		
Total revenues	65,357,732	61,657,859
<hr/>		
Expenses:		
Instruction	34,925,196	28,829,774
Pupil services	3,420,816	2,446,051
Instructional staff services	3,073,059	2,083,590
General administration	1,723,220	1,252,926
Building administration	3,644,715	3,262,064
Business services	12,474,806	14,380,404
Central services	1,162,671	1,496,137
Insurance	310,682	314,445
Other support services	2,493,538	1,983,978
Interest	2,469,952	2,426,597
<hr/>		
Total expenses	65,698,655	58,475,966
<hr/>		
Change in position	(340,923)	3,181,893
<hr/>		
Net position - Beginning of year	34,088,081	30,906,188
<hr/>		
Net position - End of year	\$ 33,747,158	\$ 34,088,081

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

The District as a Whole (Continued)

The District's total revenues were \$65,357,732 for the year ended June 30, 2023. Property taxes and state formula aid accounted for 74 percent of total revenue for the year. The remaining 26 percent came from operating grants and contributions, charges for services, and other general revenues.

The total cost of all programs and services was \$65,698,655. The District's expenses are predominantly related to instruction (53 percent). The purely administrative activities of the District accounted for just 8 percent of total costs.

Governmental Funds

The District completed the year with a total governmental fund balance of \$13,719,591, which is \$1,059,081 less than last year's ending fund balance of \$14,778,672.

The capital projects fund had an increase in fund balance of \$1,146,705. This was primarily due to current year bond proceeds for future expenditures on construction projects.

The debt services fund had an increase in fund balance of \$407,389 due to property taxes in excess of required debt payments.

The general fund had a decrease in fund balance of \$2,906,534. This was primarily due to the district expenditures being over the budget amounts.

Revenues exceeded expenditures by \$293,359 for the other nonmajor governmental funds. These funds included the Special Revenue Gift Fund, the School Nutrition Services Fund, the Community Services Fund, and the Cooperative Program Fund.

General Fund Budgetary Highlights

The District's original budget for the general fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$845,905. The actual results for the year show a \$2,906,534 decrease due to expenditures exceeding budget by \$2,379,033 and transfers exceeding budget by \$1,219,126.

Actual revenues were \$754,295 more than expected.

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

Capital Assets and Debt Administration

Capital Assets

At the end of the 2023 fiscal year, the District had invested approximately \$146 million in a broad range of capital assets, including land, buildings, and equipment. Additional information about capital assets can be found in Note 5. Total accumulated depreciation on these assets exceeded \$35 million for governmental activities.

Asset acquisitions for governmental activities totaled \$3,852,321.

The District recognized depreciation expense of \$2,893,717 for governmental activities.

Monona Grove School District *Capital Assets*

Governmental Activities	2023	2022
Land	\$ 4,294,187	\$ 4,294,187
Buildings and improvements	130,315,442	128,004,570
Equipment	11,527,602	9,986,153
Accumulated depreciation	(35,578,414)	(32,684,697)
Total	\$ 110,558,817	\$ 109,600,213

Long-Term Liabilities

At year-end, the District had \$102,097,822 in bonds and other long-term debt outstanding. Additional information about the District's long-term obligations is presented in Note 7 to the financial statements.

Monona Grove School District *Outstanding Long-Term Liabilities*

Governmental Activities	2023	2022
Bonds payable	\$ 73,185,000	\$ 77,440,000
Notes payable	4,315,000	1,615,000
Unamortized premiums	3,328,859	3,662,050
Lease obligations	940,532	797,020
Net Pension Liability	7,853,579	0
Supplemental pension liability	6,685,631	6,930,687
Other post-employment benefits-health	4,702,024	6,833,568
Other post-employment benefits-life	1,143,641	1,738,482
Compensated absences	884,088	863,720
Total	\$ 103,038,354	\$ 99,880,527

The District retired \$4,255,000 of general obligation bonds during 2022-23.

Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2023

Factors Bearing on the District's Future

The District continues to experience steady enrollment through residential students and an increase through the school choice program. Enrollment will continue to be monitored closely.

The District revenue limit will reflect the operational referendum that was renewed by voters in November 2020 for \$3.7 million. This increase in revenue limits will expire after the 2024-2025 fiscal year.

Property valuation continues to increase for the District due to development.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mark Powell, Director of Business Services, at (608) 316-1916 or mark.powell@mgschools.net.

Additional information about the District and its services can also be found on the District's website at www.mononagrove.org.

Government-Wide Financial Statements

Monona Grove School District

Statement of Net Position

June 30, 2023

	Governmental
<i>Assets and Deferred Outflows of Resources</i>	Activities
Current assets:	
Cash and investments	\$ 15,679,289
Accounts receivable	8,018,566
Prepaid items	216,111
Due from other governments	4,873,435
Total current assets	28,787,401
Noncurrent assets:	
Capital assets not being depreciated	4,294,187
Capital assets being depreciated, net	105,411,470
Lease assets being amortized, net	853,160
Total noncurrent assets	110,558,817
Total assets	139,346,218
Deferred outflows of resources	
Related to pensions/OPEB	32,102,359
Total deferred outflows of resources	32,102,359
Total assets and deferred outflows of resources	\$ 171,448,577
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Short-term notes payable	\$ 8,875,000
Accounts payable	486,473
Accrued payroll	4,611,518
Accrued interest	642,672
Due to fiduciary fund	95,130
Unearned revenue	744,286
Current portion of long-term obligations	4,851,552
Total current liabilities	20,306,631
Noncurrent liabilities:	
Due in more than one year	98,186,802
Total liabilities	118,493,433
Deferred inflows of resources - Related to pensions/OPEB	19,207,986
Net position:	
Net investment in capital assets	31,489,943
Restricted	4,072,648
Unrestricted	(1,815,433)
Total net position	33,747,158
Total liabilities, deferred inflows of resources, and net position	\$ 171,448,577

See accompanying notes to the financial statements.

Monona Grove School District

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in
				Net Position
				Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ 23,181,722	\$ 4,885,889	\$ 4,214,467	\$ (14,081,366)
Vocational instruction	1,893,297	-	-	(1,893,297)
Special education instruction	5,757,857	-	3,071,147	(2,686,710)
Other instruction	4,092,320	503,873	404,276	(3,184,171)
Total instruction	34,925,196	5,389,762	7,689,890	(21,845,544)
Support services:				
Pupil services	3,420,816	-	-	(3,420,816)
Instructional staff services	3,073,059	-	768,443	(2,304,616)
General administration	1,723,220	-	-	(1,723,220)
Building administration	3,644,715	-	-	(3,644,715)
Business services	12,474,806	1,179,541	1,123,984	(10,171,281)
Central services	1,162,671	-	-	(1,162,671)
Insurance	310,682	-	-	(310,682)
Other support services	2,493,538	305,441	-	(2,188,097)
Interest	2,469,952	-	-	(2,469,952)
Total support services	30,773,459	1,484,982	1,892,427	(27,396,050)
Total school district	\$ 65,698,655	\$ 6,874,744	\$ 9,582,317	(49,241,594)
General revenues:				
Property taxes:				
General purposes				21,079,408
Debt service				6,892,393
Community service				775,000
State and federal aids not restricted to specific functions				19,504,404
Interest and investment earnings				426,809
Gain on sale of assets				1,566
Miscellaneous				221,091
Total general revenues				48,900,671
Change in net position				(340,923)
Net position - Beginning of year				34,088,081
Net position - End of year				\$ 33,747,158

See accompanying notes to the financial statements.

Fund Financial Statements

Monona Grove School District
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 7,802,526	\$ 2,700,517	\$ 2,656,972	\$ 2,519,274	\$ 15,679,289
Receivables:					
Accounts	495,889	-	-	-	495,889
Taxes	7,522,677	-	-	-	7,522,677
Prepaid items	213,802	-	-	2,309	216,111
Due from other governments	4,600,911	-	-	272,524	4,873,435
Due from other funds	769,381	-	-	-	769,381
Total assets	\$ 21,405,186	\$ 2,700,517	\$ 2,656,972	\$ 2,794,107	\$ 29,556,782
Liabilities:					
Short-term notes payable	\$ 8,875,000	\$ -	\$ -	\$ -	\$ 8,875,000
Accounts payable	408,191	-	-	78,282	486,473
Accrued payroll	4,509,687	-	-	101,831	4,611,518
Accrued interest	255,403	-	-	-	255,403
Due to other funds	797,213	-	67,298	-	864,511
Unearned revenue	535	-	-	743,751	744,286
Total liabilities	14,846,029	-	67,298	923,864	15,837,191
Fund balances:					
Nonspendable	213,802	-	-	2,309	216,111
Restricted	-	2,700,517	2,589,674	1,867,934	7,158,125
Unassigned	6,345,355	-	-	-	6,345,355
Total fund balances	6,559,157	2,700,517	2,589,674	1,870,243	13,719,591
Total liabilities and fund balances	\$ 21,405,186	\$ 2,700,517	\$ 2,656,972	\$ 2,794,107	\$ 29,556,782

See accompanying notes to the financial statements.

Monona Grove School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

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

Total fund balances - Governmental funds		\$ 13,719,591
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 146,137,231	
Governmental accumulated depreciation	(35,578,414)	110,558,817

The supplemental pension, net pension and OPEB liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position:

Net pension liability	(7,853,579)	
Supplemental pension liability	(6,685,631)	
Net OPEB liability	(5,845,665)	
Deferred outflows of resources related to pensions/OPEB	32,102,359	
Deferred inflows of resources related to pensions/OPEB	(19,207,986)	(7,490,502)

Long-term liabilities and the related interest payable, including bonds and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the fund's balance sheet are:

Bonds and notes payable	(77,500,000)	
Lease obligations	(940,532)	
Unamortized premiums	(3,328,859)	
Accrued interest	(387,269)	
Compensated absences	(884,088)	(83,040,748)

Total net position - Governmental activities		\$ 33,747,158
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See accompanying notes to the financial statements.

Monona Grove School District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 21,079,408	\$ -	\$ 6,892,393	\$ 775,000	\$ 28,746,801
Other local sources	862,037	66,874	129,202	2,228,682	3,286,795
Interdistrict sources	4,446,321	-	-	155,726	4,602,047
Intermediate sources	-	-	-	612,717	612,717
State sources	23,057,043	-	-	29,131	23,086,174
Federal sources	4,025,221	-	-	821,142	4,846,363
Other sources	39,600	81,000	-	56,235	176,835
Total revenues	53,509,630	147,874	7,021,595	4,678,633	65,357,732
Expenditures:					
Instruction:					
Regular instruction	22,320,697	-	-	142,174	22,462,871
Vocational instruction	1,668,535	-	-	129,464	1,797,999
Special instruction	5,531,941	-	-	-	5,531,941
Other instruction	3,367,561	-	-	591,942	3,959,503
Total instruction	32,888,734	-	-	863,580	33,752,314
Support services:					
Pupil services	3,295,410	-	-	664	3,296,074
Instructional staff services	2,449,620	-	-	539,362	2,988,982
General administration	1,352,968	-	-	148,681	1,501,649
Building administration	3,440,837	-	-	77,041	3,517,878
Business services	9,471,797	1,760,496	-	2,153,556	13,385,849
Central services	1,048,407	-	-	78,972	1,127,379
Insurance	310,158	-	-	524	310,682
Other support services	1,871,747	-	-	522,894	2,394,641
Total support services	23,240,944	1,760,496	-	3,521,694	28,523,134
Debt service:					
Principal	639,723	-	4,255,000	-	4,894,723
Interest and fiscal charges	429,998	-	2,359,206	-	2,789,204
Total debt service	1,069,721	-	6,614,206	-	7,683,927
Total expenditures	57,199,399	1,760,496	6,614,206	4,385,274	69,959,375
Excess of revenues over (under) expenditures	(3,689,769)	(1,612,622)	407,389	293,359	(4,601,643)
Other financing sources:					
Debt proceeds	783,235	2,700,000	-	-	3,483,235
Bond premium	-	59,327	-	-	59,327
Total other financing sources	783,235	2,759,327	-	-	3,542,562
Net change in fund balances	(2,906,534)	1,146,705	407,389	293,359	(1,059,081)
Fund balances - Beginning of year	9,465,691	1,553,812	2,182,285	1,576,884	14,778,672
Fund balances - End of year	\$ 6,559,157	\$ 2,700,517	\$ 2,589,674	\$ 1,870,243	\$ 13,719,591

See accompanying notes to the financial statements.

Monona Grove School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - Governmental funds (from previous page) \$ (1,059,081)

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

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

Capital outlays reported in governmental fund statements	\$ 3,852,321
Depreciation expense reported in the statement of activities	(2,893,717)

Amount by which capital outlays are more than depreciation in the current year 958,604

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts (1,911,859)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources, in the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it due. (13,939)

The issuance of long-term debt provides current financial resources to governmental funds but increase long-term liabilities in the statement of net position

Debt proceeds	(3,483,235)
Premium on issuance of bonds	(59,327)

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	4,894,723
Amortization of discounts and premiums	333,191

Change in net position - Governmental activities \$ (340,923)

See accompanying notes to the financial statements.

Monona Grove School District
Statement of Fiduciary Net Position
June 30, 2023

		Employee Benefit Trust
<hr/>		
Assets:		
Cash and investments	\$	2,911,300
Due from other funds		797,213
<hr/>		
Total assets	\$	3,708,513
<hr/>		
Liabilities:		
Due to other funds	\$	702,083
<hr/>		
Net position:		
Restricted for OPEB		581,319
Restricted for pension		2,425,111
<hr/>		
Total net position		3,006,430
<hr/>		
Total liabilities and net position	\$	3,708,513
<hr/>		

See accompanying notes to the financial statements.

Monona Grove School District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	Employee Benefit Trust
<hr/>	
Additions:	
Employer contributions	\$ 957,159
Investment loss	(181,467)
<hr/>	
Total additions	775,692
<hr/>	
Deductions:	
Retiree benefit payments	909,222
<hr/>	
Total deductions	909,222
<hr/>	
Change in net position	(133,530)
Net position - Beginning of year	3,139,960
<hr/>	
Net position - End of year	\$ 3,006,430
<hr/> <hr/>	

See accompanying notes to the financial statements.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The Monona Grove 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 part of 6 taxing districts.

This report includes all of the funds of the District. The reporting entity for the District consists 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position and changes in fiduciary net position at the fund financial statement level.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for 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.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

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 other governmental funds.

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities.
- Debt Service Fund – This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.
- Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District accounts for assets accumulated from employer contributions used to pay for postemployment benefits in the Employee Benefit Trust Funds.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool. The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust Fund uses separate and distinct accounts. All other funds share in common bank and investment accounts. All investments are stated at fair market value, except for the investment in the Wisconsin Investment Series Cooperative, which are reported on the amortized cost basis.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, 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 obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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 laws applicable to trust investments.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Receivables and Payables

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Prepaid Items

Prepaid items represent payments made by the District for which benefits extend beyond June 30.

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 50 years for land improvements and buildings and 5 to 30 years for equipment.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Unearned Revenue

Unearned revenue consists of money received related to food deposits that have not been earned.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

Lease Accounting

The District is a lessee in multiple noncancelable leases. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. This rate is used to calculate the present value of future lease payments.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the District does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The District recognizes short-term leases with lease costs included in short-term lease expense. The District recognizes short-term lease cost on a straightline basis over the lease term.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

District employees are granted vacation, compensatory time, and sick leave benefits in varying amounts in accordance with District policies. In the event of retirement, death or resignation of an employee, the District is obligated to pay for unused vacation and sick leave benefits not to exceed a maximum amount. All compensated absences are accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

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

- Net Pension Liability (Asset),
- Deferred Outflows of 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.

Supplemental Pension: For purposes of measuring the total pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, and pension expense, the District has used values provided by their actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. No assets were accumulated in a trust as of the measurement date.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts (Continued)

Postemployment Benefits Other than Pensions (OPEB) Plan - The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, and
- OPEB Expense (Revenue).

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

The District also offers an OPEB plan for health insurance. The net other postemployment liability for this plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows related to pension, other postemployment benefit activity, and unamortized loss on refinancing.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pension and other postemployment benefit activity.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital 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, or imposed by law through constitutional provisions or enabling legislation.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education - the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

Monona Grove School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy

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. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

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

Note 2: Stewardship and Accountability

Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

Monona Grove School District

Notes to Financial Statements

Note 3: Cash and Investments

The District's cash and investment balances at June 30, 2023 were as follows:

	Amount	Fair Value Level	Average Maturity
Deposits with financial institutions	\$ 838,086	N/A	N/A
Cash on hand	3,167	N/A	N/A
Investments:			
Wisconsin Investment Series Cooperative	14,838,036	N/A	<30 days average
Money market funds	26,783	Level 2	<30 days average
Mutual funds - equity	1,843,420	Level 1	N/A
Mutual funds - fixed income	1,041,097	Level 1	9.38 years
Total	\$ 18,590,589		

The District's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments	\$ 15,679,289
Fiduciary fund statement of net position	
Cash and investments	2,911,300
Total	\$ 18,590,589

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023, of the District's bank balance of \$880,398, \$252,226 was insured by the Federal Deposit Insurance Corporation, \$400,000 was covered by the State of Wisconsin Public Depository Guarantee Fund, and the remaining balance of \$228,172 was exposed to credit risk as uncovered and uncollateralized.

Investments

The District is a participant in the Wisconsin Investment Series Cooperative (WISC) funds, which is authorized in Wisconsin Statute 66.0301 and are governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the Securities Exchange Commission (SEC) as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

Monona Grove School District

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of fixed income securities to not more than seven years.

Credit Risk: State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the money market funds, mutual funds - equity, and mutual funds - fixed income. The Wisconsin Investment Series Cooperative has a credit rating of AAAM. The District has no investment policy that would further limit its investment choices.

Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2023, are as follows:

Due From:	Due To: General Fund	Due To: Employee Benefit Trust Fund
Employee Benefit Trust	\$ 702,083	\$ -
General Fund	-	797,213
Debt Service Fund	67,298	-
Totals	\$ 769,381	\$ 797,213

The purpose for interfund balances between the General Fund and Employee Benefit Trust is to account for contributions not yet paid and reimbursement of benefits paid. The purpose for the interfund balances between the General Fund and Debt Service Fund is to account for a prior year transfer not made between accounts. The amounts will be reimbursed in the subsequent fiscal year.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

Monona Grove School District

Notes to Financial Statements

Note 5: Capital Assets

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

	Beginning Balance	Increases	Ending Balance
Governmental activities:			
Capital assets not being depreciated:			
Land	\$ 4,294,187	\$ -	\$ 4,294,187
Total capital assets not being depreciated	4,294,187	-	4,294,187
Capital assets being depreciated:			
Buildings and improvements	128,004,570	2,310,872	130,315,442
Equipment	8,227,015	758,214	8,985,229
Right to use assets	1,759,138	783,235	2,542,373
Total capital assets being depreciated	137,990,723	3,852,321	141,843,044
Less accumulated depreciation and amortization for:			
Buildings and improvements	(25,531,758)	(1,956,978)	(27,488,736)
Equipment	(6,089,169)	(311,296)	(6,400,465)
Right to use assets	(1,063,770)	(625,443)	(1,689,213)
Total accumulated depreciation and amortization	(32,684,697)	(2,893,717)	(35,578,414)
Total capital assets, being depreciated - Net of accumulated depreciation	105,306,026	958,604	106,264,630
Governmental activities capital assets - Net	\$ 109,600,213	\$ 958,604	\$110,558,817

Depreciation and amortization expense was charged to governmental activities as follows:

Regular instruction	\$ 748,947
Vocational instruction	28,560
Special education instruction	443
Other instruction	1,432
Pupil services	292
Instructional staff services	464
General administration	169,056
Building Administrative Services	17,876
Business services	1,924,948
Central services	1,699
Total depreciation for governmental activities	\$2,893,717

Monona Grove School District

Notes to Financial Statements

Note 6: Short-Term Notes Payable

The District issued tax and revenue anticipation promissory notes for working capital and operational cash flow needs pending receipt of the District's taxes and equalization aid allocations from the state government. The District issued a \$5,100,000 note dated October 7, 2021 with a maturity date of September 28, 2022 and an interest rate of 2.00%. The District issued a \$8,875,000 note dated October 7, 2022 with a maturity date of September 27, 2023 and an interest rate of 4.00%. Interest expended on short-term notes for the year ended June 30, 2023 was \$279,202.

Short-term notes payable activity for the year ended June 30, 2023, was as follows:

Description	Balance 07/01/22	Additions	Payments	Balance 06/30/23
Promissory note dated October 7, 2021	\$ 5,100,000	\$ -	\$ 5,100,000	\$ -
Promissory note dated October 7, 2022	-	8,875,000	-	8,875,000
Total	\$ 5,100,000	\$ 8,875,000	\$ 5,100,000	\$ 8,875,000

Note 7: Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23	Amounts Due Within One Year
Bonds	\$ 77,440,000	\$ -	\$ 4,255,000	\$ 73,185,000	\$ 4,340,000
Notes	1,615,000	2,700,000	-	4,315,000	-
Deferred amounts:					
Premium	3,662,050	-	333,191	3,328,859	-
Subtotals	82,717,050	2,700,000	4,588,191	80,828,859	4,340,000
Lease obligations	797,020	783,235	639,723	940,532	511,552
Net Pension Liability	-	7,853,579	-	7,853,579	-
Net OPEB Liability-Health	6,833,568	409,354	2,540,898	4,702,024	-
Net OPEB Liability-Life	1,738,482	-	594,841	1,143,641	-
Net Pension Liability- Supplemental	6,930,687	792,048	1,037,104	6,685,631	-
Compensated Absences	863,720	20,368	-	884,088	-
Totals	\$ 99,880,527	\$ 12,558,584	\$ 9,400,757	\$ 103,038,354	\$ 4,851,552

Monona Grove School District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. Long-term debt will be retired by future property tax levies and resources accumulated in the debt service fund.

General obligation debt at June 30, 2023 is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates %	Dates of Maturity	Balance 06/30/23
GO Refunding Bonds	05/01/15	3.00-4.00%	05/01/35	\$ 1,630,000
GO School Improvement Bonds	05/06/19	3.00-4.00%	05/01/39	53,375,000
GO Promissory Notes	04/23/20	2.00%	04/01/25	1,615,000
G.O. School Improvements Bonds	09/15/21	1.00-2.00%	05/01/31	1,010,000
GO Refunding Bonds	03/16/22	3.00%	05/01/33	4,320,000
GO Refunding Bonds	05/01/21	1.00%-2.00%	05/01/28	12,850,000
Anticipation Notes	06/14/23		05/01/28	2,700,000
Total general obligation debt				\$ 77,500,000

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,168,185,595. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (10% of \$3,168,185,595)	\$ 316,818,560
Deduct: Long-term debt applicable to debt margin	(77,500,000)
Add: Debt service fund assets available	2,589,674
Margin of indebtedness	\$ 241,908,234

Debt service requirements to maturity on general obligation debt are as follows:

Year Ended June 30:	Principal	Interest	Totals
2024	\$ 4,340,000	\$ 2,254,718	\$ 6,594,718
2025	5,990,000	2,201,268	8,191,268
2026	4,445,000	2,104,630	6,549,630
2027	3,795,000	2,030,231	5,825,231
2028	6,605,000	1,898,868	8,503,868
2029-2033	22,355,000	6,557,692	28,912,692
2034-2038	24,600,000	3,357,498	27,957,498
2039-2043	5,370,000	167,813	5,537,813
Totals	\$ 77,500,000	\$ 20,572,718	\$ 98,072,718

Monona Grove School District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments in the old debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023 \$9,775,000 of debt outstanding is considered defeased.

Lease Obligations

The District entered into a lease agreement for technology equipment at an initial amount of \$201,798 on August 1, 2019. The lease agreement requires the District to make four annual payments of \$53,008 at an interest rate of 3.4% with the first payment made at inception of the lease. The assets were fully depreciated and the amount was paid off during the current year.

The District entered into a lease agreement for computers at an initial amount of \$317,237 on August 1, 2019. The lease agreement requires the District to make four annual payments of \$86,314 at an interest rate of 3.4% with the first payment made at inception of the lease. The assets were fully depreciated and the amount was paid off during the current year.

The District entered into a lease agreement for technology equipment at an initial amount of \$115,478 on August 1, 2020. The lease agreement requires the District to make five annual payments of \$24,676 at an interest rate of 3.2% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$46,191.

The District entered into a lease agreement for computers at an initial amount of \$100,729 on August 1, 2020. The lease agreement requires the District to make four annual payments of \$26,840 at an interest rate of 3.2% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$25,182.

The District entered into a lease agreement for computers at an initial amount of \$747,120 on August 1, 2020. The lease agreement requires the District to make four annual payments of \$208,044 at an interest rate of 4.3% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$186,780.

The District entered into a lease agreement for computers at an initial amount of \$87,531 on August 1, 2020. The lease agreement requires the District to make five annual payments of \$19,360 at an interest rate of 3.4% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$35,012.

The District entered into a lease agreement for computers at an initial amount of \$189,246 on December 1, 2020. The lease agreement requires the District to make four annual payments of \$52,294 at an interest rate of 4.3% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$47,312.

The District entered into a lease agreement for computers at an initial amount of \$298,974 on July 1, 2022. The lease agreement requires the District to make four annual payments of \$77,094 at an interest rate of 1.25% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$149,487.

Monona Grove School District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

The District entered into a lease agreement for technology equipment at an initial amount of \$484,261 on April 1, 2023. The lease agreement requires the District to make four annual payments of \$128,210 at an interest rate of 6.0% with the first payment made at inception of the lease. The book value of the assets at June 30, 2023 was \$363,195.

Aggregate cash flow requirements for the retirement of lease obligations as of June 30, 2023, are as follows:

Governmental Activities			
Year Ended June 30:	Principal	Interest	Totals
2024	\$ 511,552	\$ 237,067	\$ 748,619
2025	231,878	40,447	272,325
2026	197,102	8,202	205,304
Totals	\$ 940,532	\$ 285,716	\$ 1,226,248

Note 8: Net Position

Net position reported on the government wide statement of net position at June 30, 2023:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	\$ 4,294,187
Other capital assets, net of accumulated depreciation	106,264,630
Less: related long-term debt outstanding	(79,068,874)
Total net investment in capital assets	\$ 31,489,943
Restricted:	
Debt service	\$ 2,202,405
Special revenue gifts	485,678
School nutrition services	945,075
Community services	439,490
Total restricted	\$ 4,072,648
Unrestricted	\$ (1,815,433)
Governmental activities net position	\$ 33,747,158

Monona Grove School District

Notes to Financial Statements

Note 9: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2023:

Nonspendable Fund Balance	
General fund - prepaid items	\$ 213,802
Non-major governmental funds - prepaid items	2,309
<hr/>	
Total nonspendable fund balance	\$ 216,111
<hr/> <hr/>	
Restricted Fund Balance	
Debt service	\$ 2,589,674
Capital projects	2,700,517
Special revenue gifts	485,678
School nutrition services	942,766
Community services	439,490
<hr/>	
Total restricted fund balance	\$ 7,158,125
<hr/> <hr/>	
Unassigned Fund Balance	
General fund	\$ 6,345,355
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Note 10: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

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

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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 12/31/2016) are entitled to receive 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.

Postretirement Adjustments

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

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Year	Core Fund Adjustment	Variable Fund Adjustment
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	- %	(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 executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$2,108,678 in contributions from the employer.

Contribution rates as of June 30, 2023, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

At June 30, 2023, the District reported an liability of \$7,853,579 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 0.14824498%, which was an increase of 0.00224066% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense (income) of \$3,980,457.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,508,319	\$ 16,433,123
Net differences between projected and actual earnings on pension plan investments	13,341,419	-
Change in assumptions	1,544,338	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,570	27,584
Employer contributions subsequent to the measurement date	1,154,166	-
Total	\$ 28,553,812	\$ 16,460,707

\$1,154,166 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources	
2024	\$	448,436
2025		2,263,566
2026		2,320,488
2027		5,906,449

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

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

Actuarial assumptions are based on 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 on a rollforward of the liability calculated from the December 31, 2021, actuarial valuation.

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

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	48.0%	7.6%	5.0%
Fixed income	25.0%	5.3%	2.7%
Inflation sensitive assets	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
Total core fund	115.0%	7.4%	4.8%
Variable fund:			
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%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

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

Single Discount Rate: A single discount rate of 6.80% 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.

Monona Grove School District

Notes to Financial Statements

Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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 calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 26,065,775	\$ 7,853,579	\$ (4,674,848)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2023, the District reported a payable of \$169,927 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

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

Monona Grove School District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Benefits Provided

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

Contributions

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

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

Contribution rates as of June 30, 2023, are as follows:

Coverage Type	Employer Contribution
50% Postretirement coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022, are as follows:

Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$6,022 in contributions from the employer.

Monona Grove School District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

At June 30, 2023, the District reported a liability of \$1,143,641 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2022 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 OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.30018200%, which was an increase of 0.00604100% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$143,792.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 111,923
Net differences between projected and actual earnings on pension plan investments	21,460	-
Change in assumptions	410,886	675,062
Changes in proportion and differences between employer contributions and proportionate share of contributions	100,416	-
Total	\$ 532,762	\$ 786,985

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ 6,028
2025	(5,536)
2026	2,713
2027	(56,870)
2028	(200,558)

Monona Grove School District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2022
Measurement date of net OPEB liability (asset)	December 31, 2022
Experience study	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	3.72%
Long-term expected rate of return	4.25%
Discount rate	3.76%
Salary Increases:	
Inflation	3.00
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table

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

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-term expected rate of return			4.25%

Monona Grove School District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate: A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate:

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.76%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.76%) or 1 percentage point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
District's proportionate share of the net OPEB liability	\$ 1,559,234	\$ 1,143,641	\$ 825,138

Note 12: Single-Employer Defined Benefit Pension Plan

Plan description - Qualifying Administrators and Teachers are provided with a stipend/supplemental pension. This stipend is a single employer defined benefit pension plan administered by the District. Supplemental pension benefits are funded on a pay as you go basis. There are no assets accumulated in a trust.

Benefits Provided - The District provided eligible Tier 1 Teachers retiring by the end of 2015-2016 with 403(b) contributions upon their retirement. These contributions were based upon the retiree's highest annual salary amount less their monthly/annual expected Social Security benefit at age 62. The 403(b) contributions are paid out monthly over a number of years based on the retiree's retirement age. A Teacher who retired at age 62 or older did not receive any 403(b) payment/contribution.

Monona Grove School District

Notes to Financial Statements

Note 12: Single-Employer Defined Benefit Pension Plan (Continued)

Teachers in Tier 2 who are eligible to retire between the 2016-2017 and 2026-2027 school years will receive monthly 403(b) contributions from the District upon retirement in an amount and duration based upon the year they first become eligible to retire. Teachers in Tier 1 who did not retire by the end of the 2015-2016 year will automatically become eligible for the Tier 2 benefit and are guaranteed the maximum benefit amount. Teachers in Tier 2 who do not retire by 2027 are guaranteed the amount for which they were eligible had they retired in Tier 2.

Teachers in Tier 3 who are eligible to retire after the 2026-2027 school year receive a \$1,500 per year contribution to an irrevocable account after the completion of one year of service. The contributions are transferred into a 403(b) account after completion of the 10th year of service.

Employees covered by benefit terms - At June 30, 2022, the date of the last actuarial valuation, there were 44 active plan members and 26 inactive plan members currently receiving benefits.

Contributions - Contributions are determined by an annual actuarial valuation. The actuarially determined contribution is comprised of the service cost plus the portion of the net pension liability to be amortized in the valuation year. The District is not contractually required to make a contribution to the Trust. During the reporting period, the District did not make any contributions.

Actuarial assumptions - The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	4.00%
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20.
Mortality Assumptions	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

Discount rate - The discount rate used to measure the total pension liability was 4.00%. This rate is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis.

<i>Changes in Total Pension Liability</i>	Increase (Decrease)
	Total Pension Liability
	(a)
Balances at June 30, 2020	\$ 6,930,687

Monona Grove School District

Notes to Financial Statements

Note 12: Single-Employer Defined Benefit Pension Plan (Continued)

Changes for the year:	
Service cost	294,643
Interest	150,728
Differences between expected and actual experience	346,677
Changes of assumptions or other input	(279,157)
Benefit payments	<u>(757,947)</u>
Net changes	<u>(245,056)</u>
Balances at June 30, 2021	<u>\$ 6,685,631</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 521,416	\$ -
Changes of assumption or other inputs	146,204	195,620
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	1,061,861	-
Total	\$ 1,729,481	\$ 195,620

\$1,061,861 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ 246,619
2025	225,381

Sensitivity of the total pension liability to changes in the discount rate. The table below presents the total pension liability of the District as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

Monona Grove School District

Notes to Financial Statements

Note 12: Single-Employer Defined Benefit Pension Plan (Continued)

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 6,874,251	\$ 6,685,631	\$ 6,497,713

Pension expense. For the year ended June 30, 2023, the District recognized pension expense of \$668,109.

Note 13: Other Postemployment Benefits

Plan description - The District provides other post-employment benefits (OPEB) for its employees through a single-employer retiree plan that provides postemployment health and dental insurance benefits to retiree's at least age 55 with a minimum of 10 years of service and subject to the rule of 70 (Upon retirement, the District will contribute the same benefit level and premium percentages of the medical and dental premiums at the time of the retiree's last semester of teaching in the District until age 70). Benefits and eligibility are established and amended by the Board of Education.

Employees covered by benefit terms - At June 30, 2022, the date of the latest actuarial valuation, there were 414 active plan members and 57 inactive plan members receiving OPEB benefits. The Plan is closed to new entrants.

Contributions - There is no requirement for any employee or employer contributions for funding of the plan. During the reporting period, the District made \$870,983 in contributions to the Trust.

Actuarial assumptions - The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	4.00%
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	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

Discount rate - The discount rate of 4.00% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a municipal bond rate of 4%). This rate was based upon the District's asset allocation and expected nominal return as of June 30, 2023.

Monona Grove School District

Notes to Financial Statements

Note 13: Other Postemployment Benefits (Continued)

Changes in the Net OPEB Liability (Asset)

<i>Changes in Net OPEB Liability</i>	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2020	\$ 7,303,720	\$ 470,152	\$ 6,833,568
Changes for the year:		-	-
Service cost	250,165	-	250,165
Interest	159,189	-	159,189
Differences between expected and actual experience	(1,199,532)	-	(1,199,532)
Changes of assumptions or other input	(522,763)	-	(522,763)
Contributions - Employer	-	811,030	(811,030)
Net investment income	-	7,573	(7,573)
Benefit payments	(707,436)	(707,436)	-
Net changes	(2,020,377)	111,167	(2,131,544)
Balances at June 30, 2021	\$ 5,283,343	\$ 581,319	\$ 4,702,024

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability	\$ 4,929,085	\$ 4,702,024	\$ 4,487,513

The following presents the District's net OPEB liability calculated using the health care cost trend rate of 7.00% decreasing to 6.50%, then decreasing to 4.50%, as well as what the District's total OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (6.0% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.5%)
Net OPEB liability	\$ 4,442,160	\$ 4,702,024	\$ 4,994,856

Monona Grove School District

Notes to Financial Statements

Note 13: Other Postemployment Benefits (Continued)

For the year ended June 30, 2023, the District recognized OPEB expense of \$354,035.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,284,628
Changes in assumptions	799,831	475,239
Net difference between projected and actual earnings on OPEB plan investments	-	4,807
District contributions subsequent to the measurement date	486,473	-
Total	\$ 1,286,304	\$ 1,764,674

\$486,473 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

	Deferred Inflows of Resources
2024	\$ (58,168)
2025	(57,685)
2026	(53,865)
2027	(53,857)
2028	(54,688)
Thereafter	(686,580)

Monona Grove School District

Notes to Financial Statements

Note 14: Reconciliation of Deferred Outflows and Inflows

The tables below reconciles the deferred outflows and inflows from the Notes to the financial statements:

	Deferred Outflows	Deferred Inflows
Employee Retirement Plans - Wisconsin Retirement System	\$ 28,553,812	\$ 16,460,707
Other Postemployment Benefits - Local Retiree Life Insurance Fund	532,762	786,985
Supplemental Pension Plan	1,729,481	195,620
Other Postemployment Benefits - Healthcare Plan	1,286,304	1,764,674
Total	\$ 32,102,359	\$ 19,207,986

Note 15: 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; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2023.

Required Supplementary Information

Monona Grove School District
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 21,077,819	\$ 21,077,819	\$ 21,079,408	\$ 1,589
Other local sources	643,900	643,900	862,037	218,137
Interdistrict sources	4,447,500	4,447,500	4,446,321	(1,179)
State sources	20,829,355	20,829,355	21,058,780	229,425
Federal sources	2,994,699	2,994,699	3,298,572	303,873
Other sources	37,150	37,150	39,600	2,450
Total revenues	50,030,423	50,030,423	50,784,718	754,295
Expenditures:				
Instruction:				
Regular instruction	21,305,255	21,521,629	21,912,152	(390,523)
Vocational instruction	1,565,192	1,565,192	1,668,535	(103,343)
Other instruction	3,319,615	3,319,511	3,367,561	(48,050)
Total instruction	26,190,062	26,406,332	26,948,248	(541,916)
Support services:				
Pupil services	1,503,029	1,503,029	1,818,124	(315,095)
Instructional staff services	1,383,076	1,359,691	1,869,560	(509,869)
General administration	1,161,974	1,161,974	1,352,968	(190,994)
Building administration	3,504,439	3,536,554	3,440,837	95,717
Business services	8,657,190	8,657,190	8,990,144	(332,954)
Central services	1,484,152	1,484,152	1,020,561	463,591
Insurance	327,225	327,225	310,158	17,067
Other support services	1,876,888	1,594,388	1,871,747	(277,359)
Total support services	19,897,973	19,624,203	20,674,099	(1,049,896)
Debt service				
Principal	225,000	250,000	639,723	(389,723)
Interest	-	32,500	429,998	(397,498)
Total debt service	225,000	282,500	1,069,721	(787,221)
Total expenditures	46,313,035	46,313,035	48,692,068	(2,379,033)
Excess of revenues over (under)				
expenditures	3,717,388	3,717,388	2,092,650	(1,624,738)
Other financing sources:				
Debt proceeds	-	-	783,235	783,235
Transfers out	(4,563,293)	(4,563,293)	(5,782,419)	(1,219,126)
Total other financing sources	(4,563,293)	(4,563,293)	(4,999,184)	(435,891)
Net change in fund balance	(845,905)	(845,905)	(2,906,534)	(2,060,629)
Fund balance - Beginning of year	9,465,691	9,465,691	9,465,691	-
Fund balance - End of year	\$ 8,619,786	\$ 8,619,786	\$ 6,559,157	\$ (2,060,629)

See accompanying notes to budgetary comparison schedule.

Monona Grove School District

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI). The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by 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 a 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 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. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

Monona Grove School District

Notes to the Budgetary Comparison Schedule - General Fund (Continued)

Note 2: Budgetary Comparisons

GAAP requires a budgetary comparison for the General Fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The "actual on a budgetary basis" excludes the revenues, expenditures, and other financing sources/(uses) of the special education fund, which is treated as a special revenue fund for budgetary purposes. The following schedule reconciles the "budgetary basis" revenues and expenditures of the *budgetary comparison schedule - general fund* to the *governmental funds - statement of revenues, expenditures, and changes in fund balances*:

	General Fund Actual on Budgetary Basis	Special Education Fund	General Fund Actual on GAAP Basis
Revenues	\$ 50,784,718	\$ 2,724,912	\$ 53,509,630
Expenditures	(48,692,068)	(8,507,331)	(57,199,399)
Other financing sources (uses)	(4,999,184)	5,782,419	783,235
Net change in fund balance	\$ (2,906,534)	\$ -	\$ (2,906,534)

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over Budget
Regular instruction	\$ 21,521,629	\$ 21,912,152	\$ 390,523
Vocational instruction	1,565,192	1,668,535	103,343
Other instruction	3,319,511	3,367,561	48,050
Pupil services	1,503,029	1,818,124	315,095
Instructional staff services	1,359,691	1,869,560	509,869
General administration	1,161,974	1,352,968	190,994
Business services	8,657,190	8,990,144	332,954
Other support services	1,594,388	1,871,747	277,359
Debt service	282,500	1,069,721	787,221

Monona Grove School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.14824498 %	\$ 7,853,579	\$ 27,523,510	28.53 %	95.72 %
2021	0.14600432	(11,768,216)	24,944,413	(47.18)	106.02
2020	0.14702772	(9,179,144)	24,779,283	(37.04)	105.26
2019	0.14588226	(4,703,910)	23,223,049	(20.26)	102.96
2018	0.14355700	5,107,303	22,682,029	22.52	96.45
2017	0.13787600	(4,093,712)	21,537,571	(19.01)	102.93
2016	0.13303030	1,096,488	19,901,262	5.51	99.12
2015	0.13093500	2,127,664	18,533,379	11.48	98.20
2014	0.13106500	(3,219,319)	18,318,844	(17.57)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2023	\$ 2,108,678	\$ 2,108,678	\$ -	\$ 31,646,593	6.66 %
2022	1,597,270	1,597,270	-	24,129,977	6.62
2021	1,627,467	1,627,467	-	24,110,590	6.75
2020	1,549,599	1,549,599	-	23,282,993	6.66
2019	1,519,988	1,519,988	-	21,253,121	7.15
2018	1,464,556	1,464,556	-	20,168,909	7.26
2017	1,313,488	1,313,488	-	18,805,070	6.98
2016	1,261,720	1,261,720	-	17,262,429	7.31
2015	1,282,542	1,282,542	-	17,003,562	7.54

Monona Grove School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Notes to the Schedules:

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-ended December 31, 2018, including the following:

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

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Monona Grove School District

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Amortization Period:	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
Asset Valuation Method:	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%

Monona Grove School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2022	2021	2020	2019	2018
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Monona Grove School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of
	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from
	date of participation in	date of participation in	date of participation in	date of participation in	date of participation in
	WRS	WRS	in WRS	in WRS	in WRS
Amortization Period:	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
Asset Valuation Method:	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	3.2%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

Monona Grove School District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

<i>Year Ended June 30, 2023</i>	2017	2016	2015	2014	2013	
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

Monona Grove School District

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.30018200 %	\$ 1,143,641	\$ 17,134,000	6.67 %	38.81 %
2021	0.29414100	1,738,482	17,694,000	9.83	29.57
2020	0.28323200	1,557,981	16,343,000	9.53	31.36
2019	0.27982600	1,191,554	16,310,000	7.31	37.58
2018	0.27154000	700,665	15,706,000	4.46	48.69
2017	0.25011000	752,476	10,517,841	7.15	44.81

Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2023	\$ 6,022	\$ 6,022	\$ -	\$ 19,425,810	0.0310 %
2022	6,020	6,020	-	19,419,355	0.0310
2021	5,647	5,647	-	18,216,129	0.0310
2020	5,058	5,058	-	16,326,500	0.0310
2019	6,241	6,241	-	13,111,921	0.0476
2018	5,773	5,773	-	12,128,151	0.0476

Monona Grove School District

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Notes to the Schedules:

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

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

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

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

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

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Monona Grove School District
Schedule of Changes in Net OPEB Liability and
Related Ratios
Last 10 Fiscal Years

Fiscal Year Ending - June 30, Measurement Date - June 30,	2023 2022	2022 2021	2021 2020
Total OPEB Liability			
Service cost	\$ 250,165	\$ 244,660	\$ 151,004
Interest	159,189	167,808	262,715
Differences between expected and actual experience	(1,199,532)		(253,742)
Changes in assumptions or other input	(522,763)		694,226
Benefit payments	(707,436)	(889,092)	(1,008,984)
Net Change in OPEB Liability	(2,020,377)	(476,624)	(154,781)
Total OPEB liability - beginning	7,303,720	7,780,344	7,935,125
Total OPEB liability - ending	\$ 5,283,343	\$ 7,303,720	\$ 7,780,344
Plan Fiduciary Net Position			
Contributions - employer	\$ 811,030	\$ 934,869	\$ 1,055,988
Net investment income	7,573	9,880	31,664
Benefit payments	(707,436)	(889,092)	(1,008,984)
Adjustment - Note 1			-
Net Change in Plan Fiduciary Net Position	111,167	55,657	78,668
Plan Fiduciary Net Position - beginning	470,152	414,495	335,827
Plan Fiduciary Net Position - ending	\$ 581,319	\$ 470,152	\$ 414,495
Net OPEB Liability	\$ 4,702,024	\$ 6,833,568	\$ 7,365,849
Plan fiduciary net position as a percentage of the total OPEB liability	11.00%	6.44%	5.33%
Covered employee payroll	\$27,634,906	\$23,021,517	\$23,021,517
Net OPEB liability as a percentage of covered employee payroll	17.01%	29.68%	32.00%

See Independent Auditor's Report.

Monona Grove School District
Schedule of Changes in Net OPEB Liability and
Related Ratios
Last 10 Fiscal Years

Fiscal Year Ending - June 30, Measurement Date - June 30,	2020 2019	2019 2018	2018 2017	2017 2016
Total OPEB Liability				
Service cost	\$ 140,765	\$ -	\$ -	\$ -
Interest	301,523	291,609	292,111	328,838
Differences between expected and actual experience	-	(33,049)	-	-
Changes in assumptions or other input	81,955	529,403	(191,245)	-
Benefit payments	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
Net Change in OPEB Liability	(594,432)	(392,207)	(1,731,412)	(945,015)
Total OPEB liability - beginning	8,529,557	8,921,764	10,653,176	11,598,191
Total OPEB liability - ending	\$ 7,935,125	\$ 8,529,557	\$ 8,921,764	\$ 10,653,176
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,153,451	\$ -	\$ 1,421,352	\$ 1,311,256
Net investment income	13,843	21,265	87,998	25,179
Benefit payments	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
Adjustment - Note 1	-	(1,656,639)	-	-
Net Change in Plan Fiduciary Net Position	48,619	(2,815,544)	(322,928)	62,582
Plan Fiduciary Net Position - beginning	287,208	3,102,752	3,425,680	3,363,098
Plan Fiduciary Net Position - ending	\$ 335,827	\$ 287,208	\$ 3,102,752	\$ 3,425,680
Net OPEB Liability	\$ 7,599,298	\$ 8,242,349	\$ 5,819,012	\$ 7,227,496
Plan fiduciary net position as a percentage of the total OPEB liability	4.23%	3.37%	34.78%	32.16%
Covered employee payroll	\$ 22,006,622	\$ 22,006,622	\$ 22,006,622	\$ 22,006,622
Net OPEB liability as a percentage of covered employee payroll	34.53%	37.45%	26.44%	32.84%

Note 1 - It was discovered that the District's Fund 73 is not funded solely for the OPEB plan. Rather, the District has also been using the trust for their actively-funded benefit plan. This adjustment helps align the end of year balance with the monies specifically earmarked for the OPEB plan as of June 30, 2018.

* These schedules are intended to present information for the last 10 years.
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Monona Grove School District
Schedule of Employer Contributions - OPEB
Last 10 Fiscal Years

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Employee Payroll
6/30/2023	\$ 834,192	\$ 811,030	\$ 23,162	\$ 27,634,906	2.93%
6/30/2022	1,149,643	811,030	\$ 338,613	23,021,517	3.52%
6/30/2021	1,149,643	934,869	214,774	23,021,517	4.06%
6/30/2020	1,149,643	1,088,063	61,580	23,021,517	4.73%
6/30/2019	1,149,643	1,153,451	(3,808)	22,006,622	5.24%
6/30/2018	1,578,157	-	1,578,157	22,006,622	0.00%
6/30/2017	1,578,157	1,421,352	156,805	22,006,622	6.46%

Notes to Schedule:

Valuation date: 6/30/2022

Method and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	10 year Level %
Asset valuation method	Market value
Inflation	2.50 percent
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter.
Discount rate	4.00 percent
Actuarial assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement (WRS) experience from 2018-20
Mortality assumptions	Mortality rates were based on the 2020 WRS Experience tables for Active Employees and Healthy Retirees projected with mortality improvements using fully generational MP-2021 projection scale from a base year of 2010

* These schedules are intended to present information for the last 10 years.

Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Monona Grove School District
Schedule of Changes in Total Pension Liability and Related
Ratios - Single Employer Defined Benefit Pension Plan
Last 10 Fiscal Years

Fiscal Year Ending - June 30,	2023	2022	2021
Measurement Date - June 30,	2022	2021	2020
Total Pension Liability			
Service cost	\$ 294,643	\$ 288,159	\$ 260,522
Interest	150,728	157,678	217,410
Differences between expected and actual experience	346,677		648,856
Changes in assumptions or other input	(279,157)		313,671
Benefit payments	(757,947)	(757,947)	(558,203)
Net Change in Pension Liability	(245,056)	(312,110)	882,256
Total Pension liability - beginning	6,930,687	7,242,797	6,360,541
Total Pension liability - ending	\$ 6,685,631	\$ 6,930,687	\$ 7,242,797
Covered employee payroll	\$ 3,155,000	\$ 3,890,060	\$ 3,890,060
Net pension liability as a percentage of covered payroll	211.91%	178.16%	186.19%

See Independent Auditor's Report.

Monona Grove School District
Schedule of Changes in Total Pension Liability and Related
Ratios - Single Employer Defined Benefit Pension Plan
Last 10 Fiscal Years

Fiscal Year Ending - June 30,	2020	2019	2018	2017
Measurement Date - June 30,	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 242,629	\$ 299,309	\$ 320,865	\$ 320,865
Interest	232,972	213,283	186,167	183,495
Differences between expected and actual experience	-	184,525	-	-
Changes in assumptions or other input	62,203	(57,085)	(143,291)	-
Benefit payments	(537,095)	(448,680)	(480,765)	(349,878)
Net Change in Pension Liability	709	191,352	(117,024)	154,482
Total Pension liability - beginning	6,359,832	6,168,480	6,285,504	6,131,022
Total Pension liability - ending	\$ 6,360,541	\$ 6,359,832	\$ 6,168,480	\$ 6,285,504
Covered employee payroll	\$ 3,910,064	\$ 3,910,064	\$ 4,586,763	\$ 4,586,763
Net pension liability as a percentage of covered payroll	162.67%	162.65%	134.48%	137.04%

* These schedules are intended to present information for the last 10 years.
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Supplementary Financial Information

Monona Grove School District
Combining Balance Sheet - General Fund
June 30, 2023

	General Operating Fund	Special Education Fund	Total General Fund
Assets:			
Cash and investments	\$ 7,558,988	\$ 243,538	\$ 7,802,526
Receivables:			
Accounts	495,889	-	495,889
Taxes	7,522,677	-	7,522,677
Prepaid items	213,802	-	213,802
Due from other governments	3,919,767	681,144	4,600,911
Due from other funds	769,381	-	769,381
Total assets	\$ 20,480,504	\$ 924,682	\$ 21,405,186
Liabilities:			
Short-term notes payable	\$ 8,875,000	\$ -	\$ 8,875,000
Accounts payable	383,520	24,671	408,191
Accrued payroll	3,700,938	808,749	4,509,687
Accrued interest	255,403	-	255,403
Due to other funds	705,951	91,262	797,213
Unearned revenue	535	-	535
Total liabilities	13,921,347	924,682	14,846,029
Fund balances:			
Nonspendable	213,802	-	213,802
Unassigned	6,345,355	-	6,345,355
Total fund balances	6,559,157	-	6,559,157
Total liabilities and fund balances	\$ 20,480,504	\$ 924,682	\$ 21,405,186

See Independent Auditor's Report.

Monona Grove School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - General Fund
Year Ended June 30, 2023

	General Operating Fund	Special Education Fund	Total General Fund
Revenues:			
Property taxes	\$ 21,079,408	\$ -	\$ 21,079,408
Other local sources	862,037	-	862,037
Interdistrict sources	4,446,321	-	4,446,321
State sources	21,058,780	1,998,263	23,057,043
Federal sources	3,298,572	726,649	4,025,221
Other sources	39,600	-	39,600
Total revenues	50,784,718	2,724,912	53,509,630
Expenditures:			
Instruction:			
Regular instruction	21,912,152	408,545	22,320,697
Vocational instruction	1,668,535	-	1,668,535
Special instruction	-	5,531,941	5,531,941
Other instruction	3,367,561	-	3,367,561
Total instruction	26,948,248	5,940,486	32,888,734
Support services:			
Pupil services	1,818,124	1,477,286	3,295,410
Instructional staff services	1,869,560	580,060	2,449,620
General administration	1,352,968	-	1,352,968
Building administration	3,440,837	-	3,440,837
Business services	8,990,144	481,653	9,471,797
Central services	1,020,561	27,846	1,048,407
Insurance	310,158	-	310,158
Other support services	1,871,747	-	1,871,747
Total support services	20,674,099	2,566,845	23,240,944
Debt service:			
Principal	639,723	-	639,723
Interest	429,998	-	429,998
Total debt service	1,069,721	-	1,069,721
Total expenditures	48,692,068	8,507,331	57,199,399
Excess of revenues over (under)			
expenditures	2,092,650	(5,782,419)	(3,689,769)
Other financing sources (uses):			
Debt proceeds	783,235	-	783,235
Transfers in (out)	(5,782,419)	5,782,419	-
Total other financing sources	(4,999,184)	5,782,419	783,235
Net change in fund balances	(2,906,534)	-	(2,906,534)
Fund balances - Beginning of year	9,465,691	-	9,465,691
Fund balances - End of year	\$ 6,559,157	\$ -	\$ 6,559,157

See Independent Auditor's Report.

Monona Grove School District
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 494,475	\$ 1,067,043	\$ 434,607	\$ 523,149	\$ 2,519,274
Prepaid items	-	2,309	-	-	2,309
Due from other governments	-	262	272,262	-	272,524
Total assets	\$ 494,475	\$1,069,614	\$706,869	\$ 523,149	\$2,794,107
Liabilities:					
Accounts payable	\$ 8,797	\$ 11,864	\$ 7,746	\$ 49,875	\$ 78,282
Accrued payroll	-	61,932	6,115	33,784	101,831
Unearned revenue	-	50,743	693,008	-	743,751
Total liabilities	8,797	124,539	706,869	83,659	923,864
Fund balances:					
Nonspendable	-	2,309	-	-	2,309
Restricted	485,678	942,766	-	439,490	1,867,934
Total fund balances	485,678	945,075	-	439,490	1,870,243
Total liabilities and fund balance	\$ 494,475	\$ 1,069,614	\$ 706,869	\$ 523,149	\$ 2,794,107

See Independent Auditor's Report.

Monona Grove School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 775,000	\$ 775,000
Other local sources	807,105	1,052,159	-	369,418	2,228,682
Interdistrict sources	-	-	155,726	-	155,726
Intermediate sources	-	-	612,717	-	612,717
State sources	-	29,131	-	-	29,131
Federal sources	-	821,142	-	-	821,142
Other sources	-	56,235	-	-	56,235
Total revenues	807,105	1,958,667	768,443	1,144,418	4,678,633
Expenditures:					
Instruction:					
Regular instruction	70,031	-	72,143	-	142,174
Vocational instruction	-	-	129,464	-	129,464
Other instruction	591,942	-	-	-	591,942
Total Instruction:	661,973	-	201,607	-	863,580
Support services:					
Pupil services	664	-	-	-	664
Instructional staff services	-	-	539,362	-	539,362
General administration	-	-	-	148,681	148,681
Building administration	-	-	-	77,041	77,041
Business services	9,759	1,915,488	26,950	201,359	2,153,556
Central services	-	-	-	78,972	78,972
Insurance	-	-	524	-	524
Other support services	-	-	-	522,894	522,894
Total support services	10,423	1,915,488	566,836	1,028,947	3,521,694
Total expenditures	672,396	1,915,488	768,443	1,028,947	4,385,274
Net change in fund balances	134,709	43,179	-	115,471	293,359
Fund balances - Beginning of year	350,969	901,896	-	324,019	1,576,884
Fund balances - End of year	\$ 485,678	\$ 945,075	\$ -	\$ 439,490	\$ 1,870,243

See Independent Auditor's Report.

Monona Grove School District
Schedule of Charter School Authorizer
Operating Costs
Year Ended June 30, 2023

Operating Activity	WUFAR Object Code	Cost
Employee salaries	100	\$ 559,536
Employee benefits	200	243,923
Purchased services	300	72,692
Non-capital objects	400	38,945
Capital outlay	500	-
Pupil dues and fees	900	4,868
Total		\$ 919,964

See Independent Auditor's Report.

Other Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards*

Board of Education
Monona Grove School District
Monona, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monona Grove 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 March 5, 2024.

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 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 have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

The District's Responses to Finding

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

Purpose of This Report

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

Wipfli LLP

Wipfli LLP

March 5, 2024
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

Board of Education
Monona Grove School District
Monona, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Monona Grove 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "Uniform Guidance"); and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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 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 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.

Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin 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 or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin 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 the 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 the 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 of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP
March 5, 2024
Madison, Wisconsin

Monona Grove School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2022	Cash Received	Expenditures	Accrued Revenue 6/30/2023
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
COVID-19 School Breakfast Program	10.553	2023-133675-DPI-SB-546	\$ 25,615	\$ 188,474	\$ 162,859	-
COVID-19 National School Lunch Program	10.555	2023-133675-DPI-NSL-547	44,060	580,137	536,077	-
Donated Food Commodities	10.555	2023-133675-DPI-NSL-547	-	122,206	122,206	-
Total AL 10.555			<u>44,060</u>	<u>702,343</u>	<u>658,283</u>	-
Total Child Nutrition Cluster			<u>69,675</u>	<u>890,817</u>	<u>821,142</u>	-
<u>U.S. DEPARTMENT OF LABOR</u>						
Passed through Workforce Development Board of South Central WI						
WIA Youth Activities - WIOA Cluster	17.259	573-5000	<u>45,364</u>	<u>140,806</u>	<u>146,364</u>	<u>50,922</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2023-133675-DPI-TI-A-141	82,428	82,428	89,421	89,421
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2023-133675-DPI-FLOW-341	857,173	867,240	784,442	774,375
Preschool Entitlement	84.173	2023-133675-DPI-PRESCH-347	15,890	15,890	32,522	32,522
Total Special Education Cluster			<u>873,063</u>	<u>883,130</u>	<u>816,964</u>	<u>806,897</u>
Title III-A Eng Language	84.365	2023-133675-DPI-TIIIA-391	12,516	12,516	6,489	6,489
Title IV-A-Student Support and Acad Enrich Grants	84.424	2023-133675-DPI-TIVA-381	9,619	9,619	611	611
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425	2023-133675-DPI-ESSERFIII-165	<u>429,716</u>	<u>429,716</u>	<u>2,723,994</u>	<u>2,723,994</u>

Monona Grove School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2022	Cash Received	Expenditures	Accrued Revenue 6/30/2023
<u>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</u>						
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2023-133675-DPI-CTE-400	\$ 13,753	\$ 13,753	\$ 9,751	\$ 9,751
Total U.S. Department of Education			1,421,095	1,431,162	3,647,230	3,637,163
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medical Assistance Program Cluster	93.778	N/A	-	48,032	48,032	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$1,536,134	\$2,510,817	\$ 4,662,768	\$3,688,085

See Independent Auditor's Report.

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

Monona Grove School District

Schedule of State Financial Assistance

Year Ended June 30, 2023

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2022	Cash Received	Expenditures	Accrued Revenue 6/30/2023
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents	255.101	133675-100	\$ -	\$ 1,987,753	\$ 1,987,753	\$ -
State Lunch	255.102	133675-107	-	14,163	14,163	-
Common School Fund	255.103	133675-104	-	193,798	193,798	-
Transportation Aid	255.107	133675-102	-	79,913	79,913	-
General Equalization	255.201	133675-116	-	17,095,104	17,095,104	-
Aid for School Mental Health Programs	255.227	133675-176	-	92,776	92,776	-
State Breakfast Program	255.344	133675-108	-	14,968	14,968	-
Educator Effective Eval Sys Grants Public	255.940	133675-154	23,360	23,360	24,080	24,080
Per Pupil Aid	255.945	133675-113	-	2,316,524	2,316,524	-
Career and Technical Education Incentive Grants	255.950	133675-152	-	41,002	41,002	-
Assessments of Reading Readiness	255.956	133675-166	-	4,312	4,312	-
Aid For Special Education Transition Grant BBL	255.960	133675-168	-	10,510	10,510	-
Total Wisconsin Department of Public Instruction			23,360	21,874,183	21,874,903	24,080
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	455.206	N/A	-	14,143	28,286	14,143
<u>WORKFORCE DEVELOPMENT BOARD OF SOUTH CENTRAL WISCONSIN</u>						
Youth Apprenticeship	20.445(7)(b)	573-5001	139,735	384,748	466,353	221,340
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 163,095	\$ 22,273,074	\$ 22,369,542	\$ 259,563

See Independent Auditor's Report.

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

Monona Grove School District

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2023

Note 1: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: De Minimis Cost Rate

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Special Education and School Age Parents Program

2022-2023 eligible costs under the State Special Education Program are \$7,300,673.

Note 4: Subrecipients

The District does not have subrecipients or subrecipient expenditures.

Monona Grove School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
84.027 and 84.173 84.425	Special Education Cluster Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

Monona Grove School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
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Identification of major state programs:

State ID Number	Name of State Program
255.201	General Equalization
20.445	Youth Apprenticeship

Monona Grove School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section II - Financial Statement Findings

2023-001: Account Reconciliations

Criteria - A timely reconciliation of balance sheet accounts is an important internal control activity performed by management to determine that the stated account balances are accurate and adequately supported.

Condition - We noted that bank, investment, and grant reconciliations were not completed until more than two months after year end and accounts payable amounts were not reversed from the prior year.

Cause - Due to a turnover in Business Office staff in the prior year, the reconciliations were not completed in a timely manner.

Effect - If account reconciliations are not performed timely, the probability that material errors or fraudulent activity will occur and go undetected greatly increases.

Recommendation - We recommend the District perform timely account reconciliations for all bank accounts.

Management's Response - We agree with the finding and will perform account reconciliations in a more timely manner in the future.

Section III - Federal and State Findings and Questioned Costs

None.

Monona Grove School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

Section IV - Other Issues

Does the auditor's 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

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Public Instruction No
Department of Health Services No
Department of Workforce Development No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

Name of Partner



Brian Anderson

Date

March 5, 2024

Monona Grove School District

Summary Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2023

Financial Statement Findings

2022-001: Account Reconciliations - This finding was repeated as 2023-001 this year.