

**UNIFIED SCHOOL DISTRICT
OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT
AUDITORS' REPORT**

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District of Marshfield
Marshfield, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Unified School District of Marshfield, Wisconsin, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Unified School District of Marshfield's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Unified School District of Marshfield, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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, 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 Unified School District of Marshfield'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 Unified School District of Marshfield's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified School District of Marshfield's basic financial statements. The

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the Unified School District of Marshfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified School District of Marshfield's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
December 18, 2025

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



Unified School District of Marshfield

Management's Discussion and Analysis

As management of the Unified School District of Marshfield ("District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's basic financial statements which follow this narrative.

FINANCIAL HIGHLIGHTS

Total governmental activities revenue was \$64,461,450 including \$20,784,789 of property taxes and \$32,464,366 of general state and federal aid. Total governmental activities expenditures were \$59,771,650; including \$31,351,741 for direct instruction.

The District's financial status, as reflected in total net position, increased by \$4,689,800.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *Statement of Net Position* and *Statement of Activities* provide information on a district-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements.

The *notes to the financial statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year, and other post employment schedule of funding progress and schedule of employer contributions.

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

Major Features of the District-wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements
		Governmental
Scope	Entire District	The activities of the District that are not fiduciary, such as instructional, and support services.
Required financial statements	Statement of net position. Statement of activities.	Balance sheet and statement of revenues, expenditures and changes in fund balance.
Basis of accounting and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.

DISTRICT-WIDE STATEMENTS

The district-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 include functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*. Functions that are intended to recover all or a significant portion of costs through user fees and charges (*business type activities*) are not included because the District does not have any of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has one kind of fund:

- *Governmental funds* - The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2025 compared to 2024. The District's combined net position increased by \$4,689,800.

	Governmental Activities		Total % Change
	2025	2024	2024 - 2025
Current and other assets	\$ 66,338	\$ 26,699	148.5%
Capital assets	37,145	35,095	5.8%
Total assets	103,483	61,794	67.5%
Deferred outflows of resources	13,334	19,521	-31.7%
Long-term liabilities			
outstanding	53,520	17,668	202.9%
Other liabilities	5,556	4,310	28.9%
Total liabilities	59,076	21,978	168.8%
Deferred inflows of resources	11,605	17,891	-35.1%
Net position:			
Net investment in capital assets	35,638	34,252	4.0%
Restricted	7,655	4,969	54.1%
Unrestricted	2,842	2,224	-27.8%
Total net position	\$ 46,135	\$ 41,446	11.3%

Note: Totals may not add due to rounding.

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

	Governmental Activities		Total % Change
	2025	2024	2024 - 2025
Revenues			
Program revenues			
Charges for services	\$ 1,090	\$ 1,041	4.7%
Operating grants and contributions	4,883	5,173	-5.6%
General revenues			
Property taxes	20,785	15,624	33.0%
State and federal aid	32,464	34,644	-6.3%
Other	4,973	5,204	-4.4%
Total revenues	<u>64,461</u>	<u>61,686</u>	4.5%
Expenses			
Instruction	31,352	29,830	5.1%
Pupil and instructional services	6,419	6,113	5.0%
Administration and business	15,504	14,822	4.6%
Interest on debt	1,084	10	10740.0%
Other support services	78	1,294	-94.0%
Non-program transactions	5,335	4,518	18.1%
Total expenses	<u>59,772</u>	<u>56,588</u>	5.6%
Increase in net position	<u>\$ 4,690</u>	<u>\$ 5,097</u>	-8.0%

Note: Totals may not add due to rounding.

Table 2 provides summarized operating results and their impact on net position.

The District relies primarily on state and federal aids (50%) and property taxes (32%) to fund governmental activities. These two funding sources make up 82% of the total revenues.

Table 3 presents the cost of the six major district activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(in thousands of dollars)

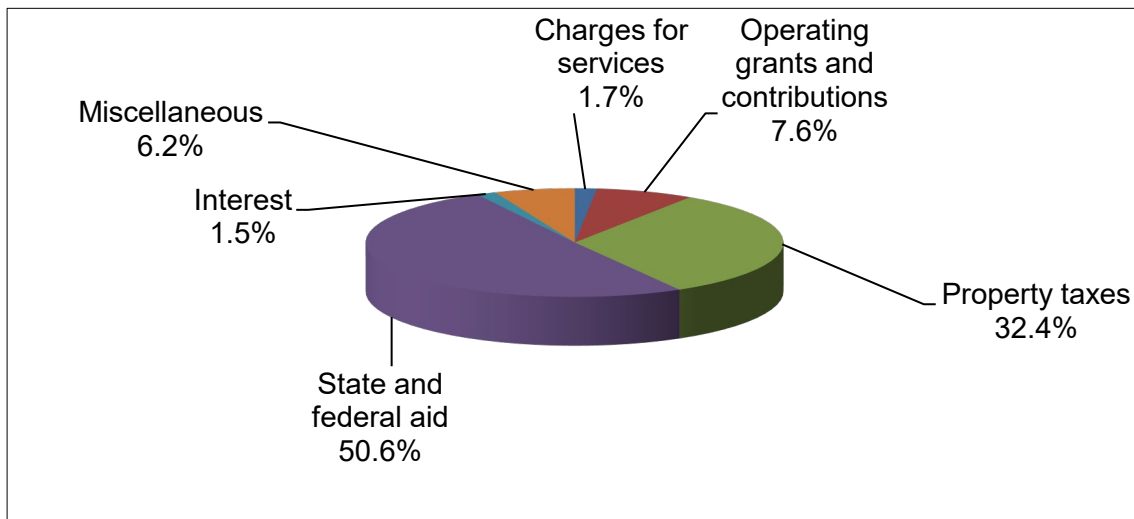
	Net Cost of Services		Total % change
	2025	2024	2024 - 2025
Instruction	\$ 27,743	\$ 26,048	6.5%
Pupil and instructional services	6,072	5,795	4.8%
Administration and business	13,501	12,708	6.2%
Interest on debt	1,084	10	10740.0%
Other support services	64	1,294	-95.1%
Non-program transactions	5,335	4,518	18.1%
Total	\$ 53,799	\$ 50,376	6.8%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$59,771,650. Individuals who directly participated or benefited from a program offering paid for \$1,089,931 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$4,883,499. The net cost of governmental activities, \$53,798,220, was financed by general revenues of the District.

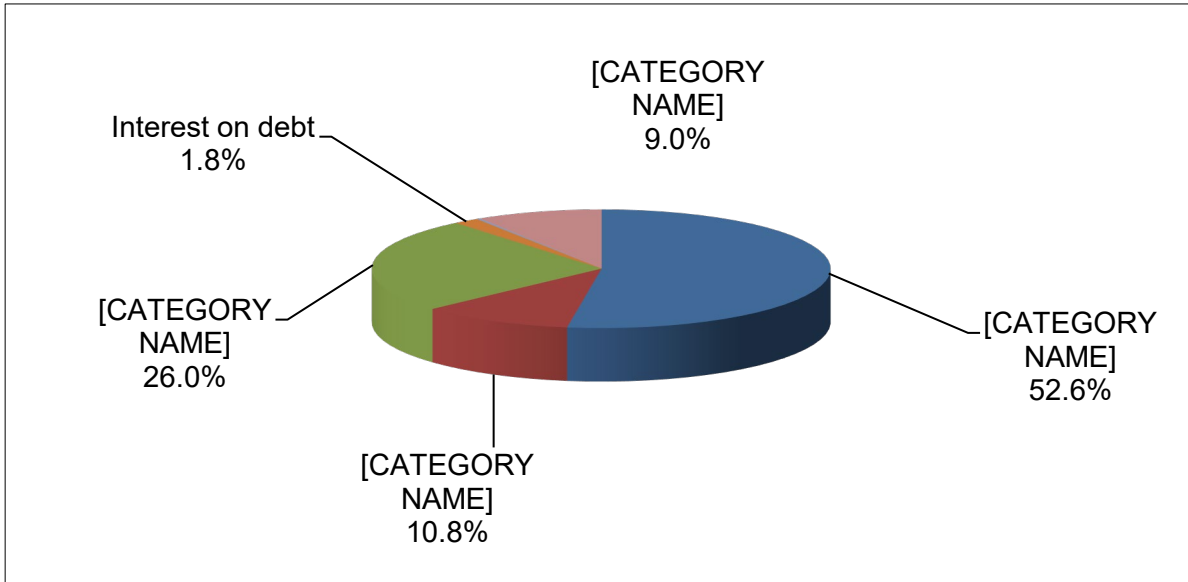
The composition of governmental revenues by source and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



Note: Totals may not add to 100% due to rounding.

Governmental Activities Expenditure by Type
Chart 2



Note: Totals may not add to 100% due to rounding.

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$61,164,369 up from last year's ending fund balance of \$22,393,139.

The general fund had an decrease in fund balance of \$456,456.

The other capital projects fund had a fund balance increase of \$36,157,296.

The other governmental funds had a fund balance increase of \$3,070,390.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in May for the subsequent year (beginning July 1st). Consistent with current state statutes and regulations an original budget is adopted in October, following determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified.

While the District's final budget for the general fund anticipated that expenditures would equal revenues the actual results for the year show a \$456,456 expenditures over revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District had invested \$58,715,699 in capital assets, including land, land improvements, buildings, equipment, and SBITAs (See Table 4). Total accumulated depreciation/amortization on these assets is \$21,571,030. Asset acquisitions for governmental activities totaled \$3,691,598. The District recognized depreciation/amortization expense of \$1,626,247 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

	Governmental Activities		Total % change
	2025	2024	2024 - 2025
Land	\$ 1,039	\$ 1,039	0.0%
Land improvements	10,985	10,841	1.3%
Buildings	39,485	39,287	0.5%
Equipment	3,795	3,587	5.8%
SBITA	397	624	-36.4%
Less: accumulated depreciation/amortization	<u>(21,571)</u>	<u>(20,283)</u>	6.4%
Total	<u>\$ 37,145</u>	<u>\$ 35,094</u>	5.8%

Note: Totals may not add due to rounding.

Long-Term Debt

At year-end, the District had \$53,520,352 in bonds payable and other long-term debt outstanding (see Table 5). Detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

	Total		Total % change
	2025	2024	2024 - 2025
General obligation debt	\$ 35,977	\$ 407	8739.6%
Other	<u>17,544</u>	<u>17,261</u>	1.6%
Total	<u>\$ 53,520</u>	<u>\$ 17,668</u>	202.9%

Note: Totals may not add due to rounding.

The District retired \$3,430,633 of bonds and notes payable during the year and other transactions, increased total debt by \$35,852,035.

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The District had an actuarial study conducted to identify its unfunded other post employment benefit liability. As of June 30, 2025, the most recent actuarial study, the unfunded actuarial accrued liability balance is \$8,475,253.

The State of Wisconsin has an open enrollment law that allows students to attend school districts of their choice with few restrictions. The state adjusts each district's general aid payment based on the number of students who transfer. This year 276 non-resident open enrollment students attended the Unified School District of Marshfield with 259 Unified School District of Marshfield students attending other schools through the open enrollment program. The number of incoming students exceeds outgoing students by 17. It is important for the District to maintain the quality of instruction and physical property to remain competitive in the open enrollment environment.

Enrollment decreased for the 2024-2025 school year by 65 students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sam Lehman, Director of Business Services, Unified School District of Marshfield, 1010 E. 4th Street, Marshfield, WI 54449.

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

UNIFIED SCHOOL DISTRICT OF MARSHFIELD

STATEMENT OF NET POSITION

JUNE 30, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and investments	\$ 58,922,130
Receivables	
Taxes	5,567,360
Accounts	290,443
Due from other governments	751,247
Prepays	793,992
Inventory	12,719
Capital assets (net of accumulated depreciation/amortization)	
Capital assets not being depreciated	4,053,446
Capital assets being depreciated	32,932,431
SBITA assets being amortized	<u>158,792</u>
TOTAL ASSETS	<u>103,482,560</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	11,818,895
Wisconsin Retirement System LRLIF	902,897
OPEB healthcare	<u>612,666</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,334,458</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>116,817,018</u>
LIABILITIES	
Accounts payable	770,557
Self insurance claims payable	155,576
Accrued liabilities	
Payroll, payroll taxes, insurance	4,130,197
Interest	382,360
Deposits payable	67,139
Unearned revenue	50,053
Current portion of long-term obligations	6,061,757
Noncurrent portion of long-term obligations	<u>47,458,595</u>
TOTAL LIABILITIES	<u>59,076,234</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	6,406,339
Wisconsin Retirement System LRLIF	2,312,280
OPEB healthcare	<u>2,886,716</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,605,335</u>
NET POSITION	
Net investment in capital assets	35,638,236
Restricted for	
Special revenue	1,506,039
Debt service	1,419,036
Capital projects	4,514,224
Other activities	215,530
Unrestricted	<u>2,842,384</u>
TOTAL NET POSITION	<u>46,135,449</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 116,817,018</u>

The accompanying notes are an integral part of these statements.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 20,468,384	\$ 6,326	\$ -	\$ (20,462,058)
Vocational instruction	1,935,754	-	33,075	(1,902,679)
Special instruction	5,931,954	59,956	3,272,237	(2,599,761)
Other instruction	3,015,649	237,449	-	(2,778,200)
Total instruction	<u>31,351,741</u>	<u>303,731</u>	<u>3,305,312</u>	<u>(27,742,698)</u>
Support services				
Pupil services	3,716,381	-	-	(3,716,381)
Instructional staff services	2,702,440	-	347,159	(2,355,281)
General administration services	1,236,358	-	-	(1,236,358)
Building administration services	4,222,638	-	-	(4,222,638)
Business services	10,045,040	772,145	1,231,028	(8,041,867)
Central services	133,551	-	-	(133,551)
Insurance	338,639	-	-	(338,639)
Interest and other	1,084,353	-	-	(1,084,353)
Other support services	(616,851)	-	-	616,851
Community services	222,405	14,055	-	(208,350)
Total support services	<u>23,084,954</u>	<u>786,200</u>	<u>1,578,187</u>	<u>(20,720,567)</u>
Non-program transactions	<u>5,334,955</u>	<u>-</u>	<u>-</u>	<u>(5,334,955)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 59,771,650</u>	<u>\$ 1,089,931</u>	<u>\$ 4,883,499</u>	<u>(53,798,220)</u>
General revenues				
Taxes				
Property taxes				
				20,784,789
Other taxes				
				266,028
State and federal aids not restricted to specific functions				
				32,464,366
Interest and investment earnings				
				965,866
Miscellaneous				
				4,006,971
Total general revenues				
				<u>58,488,020</u>
CHANGE IN NET POSITION				
				4,689,800
NET POSITION - BEGINNING OF YEAR				
				<u>41,445,649</u>
NET POSITION - END OF YEAR				
				<u>\$ 46,135,449</u>

The accompanying notes are an integral part of these statements.

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

UNIFIED SCHOOL DISTRICT OF MARSHFIELD

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL	CAPITAL PROJECT FUND OTHER CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and investments	\$ 16,211,302	\$ 36,572,689	\$ 6,138,139	\$ 58,922,130
Receivables				
Accounts	187,186	-	103,257	290,443
Taxes	5,567,360	-	-	5,567,360
Due from other funds	-	-	2,000,000	2,000,000
Due from other governments	686,391	-	64,856	751,247
Inventories	-	-	12,719	12,719
Prepays	752,969	-	41,023	793,992
TOTAL ASSETS	23,405,208	36,572,689	8,359,994	68,337,891
LIABILITIES				
Accounts payable	162,333	415,393	192,831	770,557
Self insurance claims payable	146,975	-	273	147,248
Payroll, payroll taxes, insurance	4,005,778	-	124,419	4,130,197
Due to other funds	2,000,000	-	-	2,000,000
Deposits payable	73,363	-	2,104	75,467
Unearned revenue	-	-	50,053	50,053
TOTAL LIABILITIES	6,388,449	415,393	369,680	7,173,522
FUND BALANCES				
Nonspendable	752,969	-	53,742	806,711
Restricted	215,530	36,157,296	7,854,692	44,227,518
Assigned	-	-	81,880	81,880
Unassigned	16,048,260	-	-	16,048,260
TOTAL FUND BALANCES	17,016,759	36,157,296	7,990,314	61,164,369
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,405,208	\$ 36,572,689	\$ 8,359,994	

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

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

Governmental capital assets	\$ 58,318,718	
Governmental accumulated depreciation	<u>(21,332,841)</u>	36,985,877
Governmental SBITA assets	\$ 396,981	
Governmental accumulated amortization	<u>(238,189)</u>	158,792

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements.

4,003,173

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

(2,274,050)

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

General obligation debt	\$ (35,976,529)	
Premium	(2,102,593)	
Accrued interest payable	(382,360)	
Compensated absences	(1,427,710)	
WRS liability	(5,538,267)	
Net OPEB obligation	<u>(8,475,253)</u>	<u>(53,902,712)</u>

Total net position - governmental activities

\$ 46,135,449

The accompanying notes are an integral part of these statements.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	CAPITAL PROJECT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	LONG-TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS		
REVENUES					
Property taxes	\$ 17,157,125	\$ -	\$ -	\$ 3,893,692	\$ 21,050,817
Other local sources	1,188,297	-	209,997	1,737,573	3,135,867
Interdistrict sources	2,583,763	-	-	-	2,583,763
Intermediate sources	75,247	-	-	-	75,247
State sources	33,424,504	-	-	20,409	33,444,913
Federal sources	2,729,248	-	-	1,106,740	3,835,988
Other sources	208,965	-	-	125,890	334,855
TOTAL REVENUES	57,367,149	-	209,997	6,884,304	64,461,450
EXPENDITURES					
Current					
Instruction					
Regular instruction	19,806,168	-	-	13,254	19,819,422
Vocational instruction	1,950,707	-	-	16,099	1,966,806
Special instruction	5,714,487	-	-	-	5,714,487
Other instruction	2,378,958	-	-	725,801	3,104,759
Total instruction	29,850,320	-	-	755,154	30,605,474
Support services					
Pupil services	3,584,288	-	-	16,712	3,601,000
Instructional staff services	2,565,463	-	-	-	2,565,463
General administration services	1,178,409	-	-	27,066	1,205,475
Building administration services	2,920,660	-	-	-	2,920,660
Business services	6,889,208	-	-	2,645,416	9,534,624
Central services	132,197	-	-	459	132,656
Insurance	338,639	-	-	-	338,639
Other support services	2,441,624	-	-	21,806	2,463,430
Community services	-	-	-	221,872	221,872
Total support services	20,050,488	-	-	2,933,331	22,983,819
Non-program transactions	5,323,431	-	9,915	1,609	5,334,955
Debt service					
Principal	404,017	-	-	3,430,633	3,834,650
Interest	1,577	-	-	175,459	177,036
Other	-	-	-	584,953	584,953
Total debt service	405,594	-	-	4,191,045	4,596,639
Capital outlay	214,568	-	3,042,786	36,766	3,294,120
TOTAL EXPENDITURES	55,844,401	-	3,052,701	7,917,905	66,815,007
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,522,748	-	(2,842,704)	(1,033,601)	(2,353,557)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	-	-	39,000,000	-	39,000,000
Premium on long-term debt	-	-	-	2,124,787	2,124,787
Net transfer (to) from other funds	(1,979,204)	-	-	1,979,204	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,979,204)	-	39,000,000	4,103,991	41,124,787
NET CHANGE IN FUND BALANCE	(456,456)	-	36,157,296	3,070,390	38,771,230
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	17,473,215	3,177,417	-	1,742,507	22,393,139
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	-	(3,177,417)	-	3,177,417	-
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	17,473,215	-	-	4,919,924	22,393,139
FUND BALANCE - END OF YEAR	\$ 17,016,759	\$ -	\$ 36,157,296	\$ 7,990,314	\$ 61,164,369

The accompanying notes are an integral part of these statements.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds \$ 38,771,230

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

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

Capital outlay reported in governmental fund statements	\$ 3,294,120	
Capital outlay reported as other expenses in fund statements	397,478	
Depreciation expense reported in the statement of activities	(1,509,051)	
Amoritzation expense of SBITA assets in the statement of activities	(117,196)	
Net book value of capital assets disposed	<u>(15,659)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		2,049,692

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

This year the accrual of these benefits increased by: (133,991)

Wisconsin Retirement System pension asset, deferred inflows of resources, liability, and deferred outflows of resources changes: (1,135,837)

Wisconsin Retirement System LRLIF deferred inflows of resources, liability, and deferred outflows of resources changes: (143,429)

Other post employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes: 2,894,636

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is: 3,834,650

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

The amount of interest and other debt costs paid during the current period is	\$ 761,989	
The amount of interest and other debt cost accrued during the current period is	<u>(1,084,353)</u>	
Interest paid is less than interest accrued by:		<u>(322,364)</u>

Change in net position - governmental activities \$ 4,689,800

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the Unified School District of Marshfield (the "District") have been prepared in conformity with generally accepted accounting principles (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 Unified School District of Marshfield is organized as a unified school district governed by an elected seven-member school board. The District operates grades 4K through grade 12. The District is comprised of all or parts of thirteen taxing districts.

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

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

Basis Of Presentation

District-Wide Statements

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

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

Fund Financial Statements

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

The District reports the following major governmental funds:

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

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

Measurement Focus and Basis of Accounting

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

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

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net 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.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund. Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installments of real estate taxes are collected by city and village treasurers who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Third installments of 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. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2024 tax levy is used to finance operations of the District's fiscal year ended June 30, 2025. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Accounts Receivable - Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

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

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

Inventories - Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of the fund balance is not available for other subsequent expenditures.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-line	50 years
Building improvements	\$ 5,000	Straight-line	20-25 years
Site improvements	\$ 5,000	Straight-line	10-20 years
Furniture and equipment	\$ 5,000	Straight-line	5-15 years
Computer and related technology	\$ 5,000	Straight-line	5-10 years
Library books *	\$ 5,000	Straight-line	10 years

* For purposes of determining the capitalization threshold for this item the District groups all purchases for the year.

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

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

Compensated Absences - Vacation and sick leave policies provide paid time off in varying amounts. Benefits considered more likely than not to be used or settled at separation are recognized as a liability. The liability for such leave is reported as incurred in the government-wide statements. A liability for those amounts is recorded in the government funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits where applicable.

Pensions - 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 (assets), deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense (revenue).

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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.

Other Post Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense (revenue), and 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.

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

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

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

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

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the Director of Business Services to assign fund balances through its fund balance policy and 5) unassigned fund balance consists of equity available for any purpose.

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

NOTE 2 - Cash and Investments

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

As of June 30, 2025, the District had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Wisconsin Investment Series Cooperative	Less than one year	\$41,067,220

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

- 1) Wisconsin Investment Series Cooperative is determined based on published market quotations (level 2 inputs).

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

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

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 2 - Cash and Investments - Continued

has an investment policy that would further limit its investment choices. The Wisconsin Investment Series Cooperative is not rated.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does have a deposit policy for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2025, \$16,512,046 of the District's bank balance of \$18,012,046 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by a letter of credit. Zero was uninsured and uncollateralized.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,039,420	\$ -	\$ -	\$ 1,039,420
Construction in progress	-	3,014,026	-	3,014,026
Total capital assets not being depreciated	<u>1,039,420</u>	<u>3,014,026</u>	<u>-</u>	<u>4,053,446</u>
Capital assets being depreciated:				
Land improvements	10,840,628	150,391	(5,722)	10,985,297
Buildings and improvements	39,286,690	198,540	-	39,485,230
Equipment	3,586,859	328,641	(120,755)	3,794,745
Total capital assets being depreciated	<u>53,714,177</u>	<u>677,572</u>	<u>(126,477)</u>	<u>54,265,272</u>
Less accumulated depreciation for:				
Land improvements	(2,000,222)	(298,139)	3,004	(2,295,357)
Buildings and improvements	(16,120,735)	(956,674)	-	(17,077,409)
Equipment	(1,813,651)	(254,238)	107,814	(1,960,075)
Total accumulated depreciation	<u>(19,934,608)</u>	<u>(1,509,051)</u>	<u>110,818</u>	<u>(21,332,841)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>33,779,569</u>	<u>(831,479)</u>	<u>(15,659)</u>	<u>32,932,431</u>
Capital assets, net of accumulated depreciation	<u>\$ 34,818,989</u>	<u>\$ 2,182,547</u>	<u>\$ (15,659)</u>	<u>\$ 36,985,877</u>

Depreciation expense was charged to governmental functions as follows:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 3 - Capital Assets - Continued

Regular instruction	\$ 2,810
Vocational instruction	11,102
Other instruction	24,488
Instructional staff services	38,739
General administration services	1,930
Building administration services	1,219,109
Business services	161,511
Central services	570
Other support services	<u>48,792</u>
Total	<u>\$ 1,509,051</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being amortized:				
SBITA asset	<u>\$ 624,175</u>	<u>\$ -</u>	<u>\$ (227,194)</u>	<u>\$ 396,981</u>
Less accumulated amortization for:				
SBITA asset	<u>(348,187)</u>	<u>(117,196)</u>	<u>227,194</u>	<u>(238,189)</u>
Total capital assets being amortized, net of accumulated amortization	<u>275,988</u>	<u>(117,196)</u>	<u>-</u>	<u>158,792</u>
Capital assets, net of accumulated amortization	<u>\$ 275,988</u>	<u>\$ (117,196)</u>	<u>\$ -</u>	<u>\$ 158,792</u>

The District contracts with various vendors for the right to use their software. Amortization expense was charged to the following:

Regular instruction	\$ 111,515
Special education instruction	<u>5,681</u>
Total	<u>\$ 117,196</u>

NOTE 4 - Long-Term Obligations

Long-term obligations of the District are as follows:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 4 - Long-Term Obligations - Continued

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable	\$ 325,000	\$ 39,000,000	\$ (3,390,000)	\$ 35,935,000	\$ 3,160,000
Notes payable - direct placement	82,162	-	(40,633)	41,529	41,529
Leases - direct placement	404,017	-	(404,017)	-	-
Premium	33,761	2,124,786	(55,954)	2,102,593	120,672
Compensated absences - vacation	43,151	17,964	(43,151)	17,964	17,964
Compensated absences - sick	1,250,568	293,591	(134,413)	1,409,746	1,409,746
Wisconsin Retirement System					
Net pension liability	2,058,509	136,765	-	2,195,274	-
LRLIF	3,951,336	-	(608,343)	3,342,993	-
OPEB healthcare	9,519,813	624,011	(1,668,571)	8,475,253	1,311,846
Total	<u>\$ 17,668,317</u>	<u>\$ 42,197,117</u>	<u>\$ (6,345,082)</u>	<u>\$ 53,520,352</u>	<u>\$ 6,061,757</u>

Interest costs incurred during the year totaled \$499,400. Total interest paid during the year aggregated \$177,036, including \$1,577 for capital leases.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District and is expected to be repaid with general property taxes. General obligation debt at June 30, 2025 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	12/30/24	4-5%	4/1/44	\$ 10,935,000
Bonds	4/1/25	4-5%	4/1/45	25,000,000
Note payable - direct placement	2/1/16	2.2%	10/1/25	41,529
Total				<u>\$ 35,976,529</u>

General Obligation Debt Limit Calculation - The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,181,152,081. The legal debt limit and margin of indebtedness as of June 30, 2025 in accordance with section 67.03(1)(b) of Wisconsin Statutes follows:

Debt limit (10% of \$3,181,152,081)	\$ 318,115,208
Deduct long-term debt applicable to debt margin	(35,976,529)
Amount available in debt service fund	<u>1,419,036</u>
Margin of indebtedness	<u>\$ 283,557,715</u>

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

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 4 - Long-Term Obligations - Continued

Year Ending June 30	Bonds		Notes Payable - Direct Placement		Total
	Principal	Interest	Principal	Interest	
2026	\$ 3,160,000	\$ 2,182,475	\$ 41,529	\$ 914	\$ 5,384,918
2027	1,100,000	1,490,700	-	-	2,590,700
2028	1,155,000	1,434,825	-	-	2,589,825
2029	1,215,000	1,376,075	-	-	2,591,075
2030	1,275,000	1,314,325	-	-	2,589,325
2031-2035	7,535,000	5,513,000	-	-	13,048,000
2036-2040	9,525,000	3,429,550	-	-	12,954,550
2041-2045	10,970,000	1,128,700	-	-	12,098,700
	<u>\$ 35,935,000</u>	<u>\$17,869,650</u>	<u>\$ 41,529</u>	<u>\$ 914</u>	<u>\$ 53,847,093</u>

Defeased Debt - The District defeased general obligation debt by depositing money in an irrevocable trust account for future debt service payments of the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2025, \$705,000 of defeased debt remains outstanding.

NOTE 5 - Wisconsin Retirement System Pension

General Information about the Pension Plan

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

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

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

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

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

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)
2024	3.6	15

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

During the reporting period, the WRS recognized \$1,840,857 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%
Act 4 Protective County Jailers	14.30%	6.90%

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

At June 30, 2025, the District reported a liability (asset) of \$2,195,274 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was .13360034%, which was a decrease of .00485147% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$2,979,349.

At June 30, 2025, 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	\$ 6,817,530	\$ 6,406,339
Net differences between projected and actual earnings on pension plan investments	3,335,836	-
Changes in assumptions	651,380	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,319	-
Employer contributions subsequent to the measurement date	955,830	-
Total	\$ 11,818,895	\$ 6,406,339

\$955,830 reported as deferred outflows of resources related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ 1,356,506
2027	4,570,504
2028	(1,121,333)
2029	(348,951)
Thereafter	-

Actuarial Assumptions - The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments:*	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known market recognition account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

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

Asset Allocation Targets and Expected Returns
As of December 31, 2024

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	38	7	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset Class			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.6%.

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

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 20,594,543	\$ 2,195,274	\$ (10,876,877)

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

Payables to the Pension Plan - The District reported a payable of \$268,201 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post Employment Benefits

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

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

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

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

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

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

Contribution rates as of December 31, 2024 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2024 are as listed below:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

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

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

During the reporting period, the LRLIF recognized \$17,996 in contributions from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$3,342,993 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was .854492%, which was an decrease of .004372% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$161,305.

At June 30, 2025, 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	\$ -	\$ 347,789
Net differences between projected and actual earnings on plan investments	45,907	-
Changes in assumptions	820,275	1,875,014
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,766	89,477
Employer contributions subsequent to the measurement date	8,949	-
Total	\$ 902,897	\$ 2,312,280

\$8,949 was reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

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

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (128,600)
2027	(279,460)
2028	(400,771)
2029	(387,139)
Thereafter	(222,362)

Actuarial Assumptions - The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset):	December 31, 2024
WRS Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 Experience Mortality Table

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

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

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

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Intern Credit	40	2.41
US Mortgages	Barclays US MBS	60	2.71
Inflation			2.3
Long-term Expected Rate of Return			4.25

Single Discount Rate - A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's proportionate share of the net OPEB liability (asset)	\$ 4,468,378	\$ 3,342,993	\$ 2,475,782

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 7 - Interfund Activity

Interfund receivable and payable balances on June 30, 2025, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Long-term capital improvement trust	General	\$ 2,000,000

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 7 - Interfund Activity - Continued

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

Interfund transfers for the year ended June 30, 2025 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General	Long-term capital improvement trust	\$ 2,000,000
Non-referendum debt service	General	\$ 20,796

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

NOTE 8 - Post Employment Benefits Other Than Pensions

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

Benefits Provided - For administrators at least age 55 with 7 years of service in the District (15 years of service in the District for level 5 administrative staff), the District will distribute a dollar amount into a health reimbursement arrangement (HRA). The annual amount will be either the current family rate or 25% of the total distribution, whichever is greater. If the distribution is less than the current family premium rate, the total balance will be deposited into the account. The value of the benefit is based on the original date of hire and is subject to proration based on years of employment with the District and administrative level.

For professional staff at least age 55 with 15 years of service and hired prior to July 1, 2012, the District will distribute a dollar amount into a HRA. The annual amount will be either the current family rate or 25% of the total distribution, whichever is greater. If the distribution is less than the current family premium rate, the total balance will be deposited into the account. For employees who retire prior to July 1, 2021, \$15,000 will be distributed for each year until the employee is eligible for Medicare. For all other eligible employees who retire on or after July 1, 2021, the value of the benefit will be based on the employee's retirement date. The value of the benefit, regardless of retirement date, will be subject to proration based on years of employment with the District.

Part-time employees will receive a prorated benefit.

Employees Covered - As of the June 30, 2025 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Inactive employees or beneficiaries currently receiving benefits	225
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>441</u>
Total	<u>666</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2025, contribution rates for Plan members were \$0 - \$1,527 per participant per month and \$0 - \$2,371 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$432,625 and the District contributed \$51,658 to the plan.

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2025
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	4.81%
Salary Increases:	3%
Mortality:	2020 WRS Experience Tables
Medical Care Cost Trend:	7% decreasing to 6.5%, then decreasing by .1% per year down to 4.5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2023. Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

The OPEB liability for June 30, 2025 is based upon an update of the liability calculated from the June 30, 2023 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments was determined by expected future real rates of return (expected returns, net of plan investment expense and inflation) developed for each major asset class. There are no plan assets.

Discount Rate - A discount rate of 4.81% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

Changes in the OPEB Healthcare Liability

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

	<u>Increase (Decrease)</u>
	<u>OPEB Healthcare Liability</u>
Beginning balance	\$ 9,519,813
Changes for the year:	
Service cost	246,814
Interest	377,197
Differences between expected and actual experience	(85,638)
Changes of assumptions or other input	(215,597)
Benefit payments	(1,367,336)
Net changes	(1,044,560)
Ending balance	\$ 8,475,253

Sensitivity of the OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate - The following presents the OPEB healthcare liability calculated using the healthcare cost trend rate of 7 percent decreasing to 4.5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6 percent decreasing to 3.5 percent) or 1-percentage-point higher (8 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (6% decreasing to 3.5%)	Current Healthcare Cost Rate (7% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (8% decreasing to 5.5%)
OPEB healthcare liability	\$ 8,301,273	\$ 8,475,253	\$ 8,665,970

Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the OPEB healthcare liability calculated using the discount rate of 4.81 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current rate:

	1% Decrease to Discount Rate (3.81%)	Current Discount Rate (4.81%)	1% Increase to Discount Rate (5.81%)
OPEB healthcare liability	\$ 8,837,609	\$ 8,475,253	\$ 8,126,482

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

For the year ended June 30, 2025, the District recognized OPEB healthcare expense (revenue) of \$(1,527,300).

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 525,646	\$ 1,158,495
Net differences between projected and actual earnings on pension plan investments	-	-
Changes in assumptions	87,020	1,728,221
Employer contributions subsequent to the measurement date	-	-
Total	\$ 612,666	\$ 2,886,716

Zero reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the OPEB healthcare liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (2,151,309)
2027	(33,958)
2028	(33,963)
2029	(18,249)
2029	(341)
Thereafter	(36,230)

Payables to the OPEB Healthcare Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2025.

NOTE 9 - Fund Balances and Net Position

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

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General	Prepaid expenses	\$ 752,969
Special revenue	Specific student group and donor expenses	\$ 15,597
Food service	Inventory and prepaid expenses	\$ 38,145
Restricted		
General	Self-insurance	\$ 193,476
General	Common school fund	\$ 22,054
Special revenue	Specific student group and donor expenses	\$ 1,060,605
Other capital projects	DPI regulation	\$ 36,157,296
Referendum debt	DPI regulation	\$ 1,419,036
Capital expansion	DPI regulation	\$ 107

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 9 - Fund Balances and Net Position - Continued

Long-term capital improvements	DPI regulation	\$ 4,929,510
Food service	DPI regulation	\$ 445,434
Assigned		
Special revenue	Specific expenses	\$ 12,484
Community service	DPI regulations	\$ 69,396
<u>Governmental Activities</u>		
Restricted		
Special revenue	Specific student group and donor expenses and DPI regulation	\$ 1,506,039
Debt service	DPI regulation	\$ 1,419,036
Capital projects	DPI regulation	\$ 4,514,224
Other activities	Self-insurance	\$ 193,476
Other activities	Common school fund	\$ 22,054

The District has adopted a minimum fund balance policy in the amount of 20% of the preceding year's general fund expenditures be maintained for working capital purposes.

NOTE 10 - Risk Management

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

NOTE 11 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency #5 for services to be provided to the District in 2025-2026. Expected costs are \$534,576.

The District is negotiating a transportation agreement with estimated cost for the following school years:

2025-2026	\$2,484,281
2026-2027	2,608,495
2027-2028	<u>2,738,920</u>
	<u>\$7,831,696</u>

The District has entered into an estimated \$71,553,000 construction contract for remodeling of the elementary and high school. There is \$68,954,367 remaining to be completed on this contract.

The District is aware some older buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling, or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and have not recorded a liability.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 11 - Commitments and Contingencies - Continued

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

NOTE 12 - Limitation of School District Revenue

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

NOTE 13 - Self-Funded Insurance

The District established a self-funded dental benefit plan for its employees. The plan administrators are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for an administrative fee. The plan reports on a fiscal year ending June 30, 2025.

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

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

The District has reported a liability of \$155,576, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. Changes in the claims liability for the years ended June 30, 2025 and June 30, 2024 are as follows:

	<u>Year Ended</u> <u>June 30, 2025</u>	<u>Year Ended</u> <u>June 30, 2024</u>
Beginning liability balance	\$ 165,825	\$ 159,084
Claims and changes in estimates	725,158	705,660
Claim payments	<u>(735,407)</u>	<u>(698,919)</u>
Ending liability balance	<u>\$ 155,576</u>	<u>\$ 165,825</u>

NOTE 14 - Change Within the Financial Reporting Entity

The long-term capital improvement trust fund changed from a major fund to a nonmajor fund.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 14 - Change Within the Financial Reporting Entity - Continued

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	
	Long-Term Capital Improvement Trust	Nonmajor Governmental Funds
June 30, 2024, as previously reported	\$ 3,177,417	\$ 1,742,507
Change from major to nonmajor fund	(3,177,417)	3,177,417
June 30, 2024, as restated	\$ -	\$ 4,919,924

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	POSITIVE (NEGATIVE)
REVENUES										
Property taxes	\$ 16,919,097	\$ -	\$ 16,919,097	\$ 16,919,097	\$ -	\$ 16,919,097	\$ 17,157,125	\$ -	\$ 17,157,125	\$ 238,028
Other local sources	1,060,095	8,000	1,068,095	1,060,095	8,000	1,068,095	1,185,453	2,844	1,188,297	120,202
Interdistrict sources	2,608,400	40,000	2,648,400	2,608,400	40,000	2,648,400	2,533,733	50,030	2,583,763	(64,637)
Intermediate sources	12,400	115,000	127,400	12,400	115,000	127,400	8,886	66,361	75,247	(52,153)
State sources	31,013,796	2,076,968	33,090,764	31,459,540	2,076,968	33,536,508	31,444,301	1,980,203	33,424,504	(112,004)
Federal sources	1,408,442	1,293,538	2,701,980	1,412,310	1,293,538	2,705,848	1,496,494	1,232,754	2,729,248	23,400
Other sources	180,000	1,100	181,100	180,000	1,100	181,100	182,474	26,491	208,965	27,865
TOTAL REVENUES	53,202,230	3,534,606	56,736,836	53,651,842	3,534,606	57,186,448	54,008,466	3,358,683	57,367,149	180,701
EXPENDITURES										
Current										
Instruction										
Regular instruction	20,004,346	-	20,004,346	19,995,668	-	19,995,668	19,806,168	-	19,806,168	189,500
Vocational instruction	2,061,620	-	2,061,620	2,064,988	-	2,064,988	1,950,707	-	1,950,707	114,281
Special instruction	-	5,970,292	5,970,292	-	5,970,292	5,970,292	-	5,714,487	5,714,487	255,805
Other instruction	2,367,479	-	2,367,479	2,369,079	-	2,369,079	2,378,958	-	2,378,958	(9,879)
Total instruction	24,433,445	5,970,292	30,403,737	24,429,735	5,970,292	30,400,027	24,135,833	5,714,487	29,850,320	549,707
Support services										
Pupil services	2,467,986	1,119,279	3,587,265	2,468,136	1,119,279	3,587,415	2,450,932	1,133,356	3,584,288	3,127
Instructional staff services	2,288,870	367,272	2,656,142	2,466,428	367,272	2,833,700	2,203,624	361,839	2,565,463	268,237
General administration services	1,237,031	5,000	1,242,031	1,272,031	5,000	1,277,031	1,175,271	3,138	1,178,409	98,622
Building administration services	2,919,225	-	2,919,225	2,924,074	-	2,924,074	2,920,660	-	2,920,660	3,414
Business services	6,887,934	372,439	7,260,373	6,896,135	372,439	7,268,574	6,499,393	389,815	6,889,208	379,366
Central services	131,320	2,020	133,340	119,520	2,020	121,540	128,468	3,729	132,197	(10,657)
Insurance	348,360	-	348,360	348,360	-	348,360	338,639	-	338,639	9,721
Other support services	2,743,859	144,716	2,888,575	2,743,860	144,716	2,888,576	2,288,846	152,778	2,441,624	446,952
Total support services	19,024,585	2,010,726	21,035,311	19,238,544	2,010,726	21,249,270	18,005,833	2,044,655	20,050,488	1,198,782
Non-program transactions	4,336,438	415,925	4,752,363	4,569,923	415,925	4,985,848	4,983,074	340,357	5,323,431	(337,583)
Debt service										
Principal	410,960	-	410,960	410,960	-	410,960	404,017	-	404,017	6,943
Interest	7,960	-	7,960	7,960	-	7,960	1,577	-	1,577	6,383
Total debt service	418,920	-	418,920	418,920	-	418,920	405,594	-	405,594	13,326
Capital outlay	126,505	-	126,505	132,383	-	132,383	214,568	-	214,568	(82,185)
TOTAL EXPENDITURES	48,339,893	8,396,943	56,736,836	48,789,505	8,396,943	57,186,448	47,744,902	8,099,499	55,844,401	1,342,047
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES										
	4,862,337	(4,862,337)	-	4,862,337	(4,862,337)	-	6,263,564	(4,740,816)	1,522,748	1,522,748
OTHER FINANCING SOURCES (USES)										
Transfer (to) from other funds	(4,862,337)	4,862,337	-	(4,862,337)	4,862,337	-	(6,720,020)	4,740,816	(1,979,204)	(1,979,204)
NET CHANGE IN FUND BALANCE										
FUND BALANCE - BEGINNING OF YEAR	17,473,215	-	17,473,215	17,473,215	-	17,473,215	17,473,215	-	17,473,215	-
FUND BALANCE - END OF YEAR	\$ 17,473,215	\$ -	\$ 17,473,215	\$ 17,473,215	\$ -	\$ 17,473,215	\$ 17,016,759	\$ -	\$ 17,016,759	\$ (456,456)

The accompanying notes are an integral part of these statements.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2025

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

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the public budget hearing, the Board of Education may alter the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year-end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used by the District.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

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

General/Special Education	Other instruction	\$ 9,879
General/Special Education	Central services	10,657
General/Special Education	Non-program transactions	337,583
General/Special Education	Capital outlay	82,185
General/Special Education	Transfer to other funds	1,979,204

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2025

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

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	0.13360034%	\$ 2,195,274	\$ 26,745,366	8.21%	98.79%
2023	0.13845181%	2,058,509	26,177,022	7.86%	98.85%
2022	0.14199480%	7,522,463	25,734,174	29.23%	95.72%
2021	0.14478598%	(11,670,016)	24,023,751	-48.58%	106.02%
2020	0.14990084%	(9,358,517)	24,188,892	-38.69%	105.26%
2019	0.15344742%	(4,947,845)	24,147,643	-20.49%	102.96%
2018	0.15483026%	5,508,375	23,636,999	23.30%	96.45%
2017	0.15651974%	(4,647,256)	23,038,979	-20.17%	102.93%
2016	0.15649493%	1,289,892	22,397,345	5.76%	99.12%
2015	0.15857087%	2,576,746	22,664,256	11.37%	98.20%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,840,857	\$ (1,840,857)	-	\$ 26,579,421	6.93%
2024	1,833,639	(1,833,639)	-	26,760,586	6.85%
2023	1,732,933	(1,732,933)	-	26,045,029	6.65%
2022	1,661,168	(1,661,168)	-	24,023,751	6.91%
2021	1,632,753	(1,632,753)	-	24,188,892	6.75%
2020	1,581,985	(1,581,985)	-	24,147,643	6.55%
2019	1,590,711	(1,590,711)	-	23,636,999	6.73%
2018	1,566,614	(1,566,614)	-	23,038,979	6.80%
2017	1,478,227	(1,478,227)	-	22,397,345	6.60%
2016	1,541,172	(1,541,172)	-	22,664,256	6.80%

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

Notes to Required Supplementary Information for the Year Ended June 30, 2025

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

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

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

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

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

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

Notes to Required Supplementary Information for the Year Ended June 30, 2025 - Continued

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

* 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.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

Notes to Required Supplementary Information for the Year Ended June 30, 2025 - Continued

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience 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.

* 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.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2025

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

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2024	0.85449200%	\$ 3,342,993	\$ 24,837,000	13.46%	37.20%
2023	0.85886400%	3,951,336	24,301,000	16.26%	33.90%
2022	0.87627800%	3,338,467	23,288,000	14.34%	38.81%
2021	0.87194500%	5,153,517	23,900,000	21.56%	29.57%
2020	0.86490700%	4,757,613	23,517,000	20.23%	31.36%
2019	0.86046000%	3,664,006	23,165,000	15.82%	37.58%
2018	0.87813100%	2,265,874	23,186,000	9.77%	48.69%
2017	0.87082000%	2,619,932	36,620,472	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 17,996	\$ (17,996)	\$ -	\$ 27,597,154	0.07%
2024	18,043	(18,043)	-	26,840,450	0.07%
2023	17,212	(17,212)	-	25,391,129	0.07%
2022	17,932	(17,932)	-	23,900,000	0.08%
2021	17,246	(17,246)	-	23,517,000	0.07%
2020	15,555	(15,555)	-	23,165,000	0.07%
2019	16,918	(16,918)	-	23,186,000	0.07%
2018	16,537	(16,537)	-	36,620,472	0.05%

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

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

Notes to Required Supplementary Information for the Year Ended June 30, 2025

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

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

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

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

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

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

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability								
Service cost	\$ 246,814	\$ 292,579	\$ 310,885	\$ 417,313	\$ 408,130	\$ 1,196,923	\$ 1,233,999	\$ 1,162,599
Interest	377,197	407,537	379,573	271,416	294,240	894,586	910,602	906,485
Changes of benefit terms	-	-	-	-	-	(1,262,186)	-	-
Differences between expected and actual experience	(85,638)	196,553	184,317	636,787	-	(7,503,346)	-	(28,983)
Changes of assumptions or other input	(215,597)	116,026	(304,672)	(746,734)	-	(7,318,123)	-	-
Benefit payments	<u>(1,367,336)</u>	<u>(1,871,381)</u>	<u>(1,762,218)</u>	<u>(1,724,865)</u>	<u>(1,717,839)</u>	<u>(2,015,841)</u>	<u>(2,052,533)</u>	<u>(1,900,494)</u>
Net Changes in Total OPEB Healthcare Liability	(1,044,560)	(858,686)	(1,192,115)	(1,146,083)	(1,015,469)	(16,007,987)	92,068	139,607
Total OPEB Healthcare Liability - Beginning	<u>9,519,813</u>	<u>10,378,499</u>	<u>11,570,614</u>	<u>12,716,697</u>	<u>13,732,166</u>	<u>29,740,153</u>	<u>29,648,085</u>	<u>29,508,478</u>
Total OPEB Healthcare Liability - Ending	\$ 8,475,253	\$ 9,519,813	\$ 10,378,499	\$ 11,570,614	\$ 12,716,697	\$ 13,732,166	\$ 29,740,153	\$ 29,648,085
Covered payroll	\$ 25,126,366	\$ 25,126,366	\$ 24,210,774	\$ 24,210,774	\$ 23,568,708	\$ 23,568,708	\$ 22,330,519	\$ 22,330,519
OPEB Healthcare Liability as a percentage of covered payroll	33.73%	37.89%	42.87%	47.79%	53.96%	58.26%	133.18%	132.77%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,069,083	\$ 2,069,083
Contributions in relation to the actuarially determined contributions	<u>(1,367,336)</u>	<u>(1,871,381)</u>	<u>(1,762,218)</u>	<u>(1,724,865)</u>	<u>(1,717,839)</u>	<u>(2,015,841)</u>	<u>(2,052,533)</u>	<u>(1,900,494)</u>
Contribution deficiency (excess)	<u>\$ (1,367,336)</u>	<u>\$ (1,871,381)</u>	<u>\$ (1,762,218)</u>	<u>\$ (1,724,865)</u>	<u>\$ (1,717,839)</u>	<u>\$ (2,015,841)</u>	<u>\$ 16,550</u>	<u>\$ 168,589</u>
Covered payroll	\$ 25,126,366	\$ 25,126,366	\$ 24,210,774	\$ 24,210,774	\$ 23,568,708	\$ 23,568,708	\$ 22,330,519	\$ 22,330,519
Contributions as a percentage of covered payroll	5.44%	7.45%	7.28%	7.12%	7.29%	8.55%	9.19%	8.51%
Actuarial valuation date	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	7/1/2018	7/1/2018
Measurement date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2018	6/30/2018

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

Notes to Required Supplementary Information for the Year Ended June 30, 2025

Methods and assumptions used to determine actuarial calculations - entry age normal cost level % amortization, 4.81% discount rate, 2.5% inflation, 3% salary increases, and 2020 WRS experience tables.

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

Changes of assumptions - the discount rate changed from 4.21% to 4.81%.

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON- REFERENDUM DEBT	REFERENDUM DEBT	CAPITAL EXPANSION	LONG-TERM CAPITAL IMPROVEMENT	
ASSETS								
Cash and investments	\$1,000,127	\$569,804	\$ 69,555	\$ -	\$ 1,419,036	\$ 107	\$ 3,079,510	\$ 6,138,139
Accounts receivable	93,380	9,877	-	-	-	-	-	103,257
Due from other funds	-	-	-	-	-	-	2,000,000	2,000,000
Due from other governments	-	64,856	-	-	-	-	-	64,856
Inventories	-	12,719	-	-	-	-	-	12,719
Prepays	15,597	25,426	-	-	-	-	-	41,023
TOTAL ASSETS	1,109,104	682,682	69,555	-	1,419,036	107	5,079,510	8,359,994
LIABILITIES								
Accounts payable	20,418	22,413	-	-	-	-	150,000	192,831
Self insurance claims payable	-	273	-	-	-	-	-	273
Payroll, payroll taxes, insurance	-	124,260	159	-	-	-	-	124,419
Deposits payable	-	2,104	-	-	-	-	-	2,104
Unearned revenue	-	50,053	-	-	-	-	-	50,053
TOTAL LIABILITIES	20,418	199,103	159	-	-	-	150,000	369,680
FUND BALANCES								
Nonspendable	15,597	38,145	-	-	-	-	-	53,742
Restricted	1,060,605	445,434	-	-	1,419,036	107	4,929,510	7,854,692
Assigned	12,484	-	69,396	-	-	-	-	81,880
TOTAL FUND BALANCES	1,088,686	483,579	69,396	-	1,419,036	107	4,929,510	7,990,314
TOTAL LIABILITIES AND FUND BALANCES	1,109,104	682,682	69,555	\$ -	\$ 1,419,036	\$ 107	\$ 5,079,510	\$ 8,359,994

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		TOTAL
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM DEBT	REFERENDUM DEBT	CAPITAL EXPANSION	LONG-TERM CAPITAL IMPROVEMENT	NONMAJOR GOVERNMENTAL FUNDS
REVENUES								
Property taxes	\$ -	\$ -	\$ 450,000	\$ 377,192	\$ 3,066,500	\$ -	\$ -	\$ 3,893,692
Other local sources	792,150	804,348	17,925	20,868	28,847	4	73,431	1,737,573
State sources	-	20,409	-	-	-	-	-	20,409
Federal sources	-	1,106,740	-	-	-	-	-	1,106,740
Other sources	-	6,181	-	-	8,634	103	110,972	125,890
TOTAL REVENUES	792,150	1,937,678	467,925	398,060	3,103,981	107	184,403	6,884,304
EXPENDITURES								
Current								
Instruction								
Regular instruction	13,254	-	-	-	-	-	-	13,254
Vocational instruction	16,099	-	-	-	-	-	-	16,099
Other instruction	725,801	-	-	-	-	-	-	725,801
Total instruction	755,154	-	-	-	-	-	-	755,154
Support services								
Pupil services	16,712	-	-	-	-	-	-	16,712
General administration services	-	27,066	-	-	-	-	-	27,066
Business services	50,916	1,985,655	176,535	-	-	-	432,310	2,645,416
Central services	-	459	-	-	-	-	-	459
Other support services	-	21,684	122	-	-	-	-	21,806
Community Services	-	-	221,872	-	-	-	-	221,872
Total support services	67,628	2,034,864	398,529	-	-	-	432,310	2,933,331
Non-program transactions	-	1,536	-	73	-	-	-	1,609
Debt service								
Principal	-	-	-	365,633	3,065,000	-	-	3,430,633
Interest	-	-	-	11,558	163,901	-	-	175,459
Other	-	-	-	-	584,953	-	-	584,953
Total debt service	-	-	-	377,191	3,813,854	-	-	4,191,045
Capital outlay	-	36,766	-	-	-	-	-	36,766
TOTAL EXPENDITURES	822,782	2,073,166	398,529	377,264	3,813,854	-	432,310	7,917,905
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,632)	(135,488)	69,396	20,796	(709,873)	107	(247,907)	(1,033,601)
OTHER FINANCING SOURCES (USES)								
Premium on long-term debt	-	-	-	-	2,124,787	-	-	2,124,787
Net transfer (to) from other funds	-	-	-	(20,796)	-	-	2,000,000	1,979,204
TOTAL OTHER FINANCING SOURCES	-	-	-	(20,796)	2,124,787	-	2,000,000	4,103,991
NET CHANGE IN FUND BALANCE	(30,632)	(135,488)	69,396	-	1,414,914	107	1,752,093	3,070,390
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,119,318	619,067	-	-	4,122	-	-	1,742,507
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	-	-	-	-	-	-	3,177,417	3,177,417
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	1,119,318	619,067	-	-	4,122	-	3,177,417	4,919,924
FUND BALANCE - END OF YEAR	\$1,088,686	\$ 483,579	\$ 69,396	\$ -	\$ 1,419,036	\$ 107	\$ 4,929,510	\$ 7,990,314

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED	REVENUES		ACCRUED	SUBRECIPIENT	
				RECEIVABLES (UNEARNED REVENUE) JULY 1, 2024	GRANTOR REIMBURSEMENT	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025		PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE									
Wisconsin Department of Public Instruction									
<u>Child Nutrition Cluster</u>									
School Breakfast Program		10.553							
July 1, 2024 - June 30, 2025	2025-713339-DPI-SB_SEVERE-546		N/A	\$ -	\$ 167,716	\$ 171,803	\$ 4,087	\$ -	
Food Distribution		10.555							
July 1, 2024 - June 30, 2025	None		N/A	-	152,193	152,193	-	-	
National School Lunch		10.555							
July 1, 2024 - June 30, 2025	2025-713339-DPI-NSL-547		N/A	-	646,850	660,854	14,004	-	
Special Milk Program for Children		10.556							
July 1, 2024 - June 30, 2025	2025-713339-DPI-SMP-548		N/A	-	1,617	1,633	16	-	
Summer Food Service Program for Children		10.559							
July 1, 2023 - June 30, 2024	2024-713339-DPI-SFSP-586		N/A	37,447	37,447	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-SFSP-586		N/A	-	52,990	96,771	43,781	-	
Fresh Fruit and Vegetable Program - July		10.582							
July 1, 2024 - June 30, 2025	2025-713339-DPI-FFVPPUB-594		N/A	-	3,375	3,375	-	-	
Fresh Fruit and Vegetable Program - October		10.582							
July 1, 2024 - June 30, 2025	2025-713339-DPI-FFVOCTPUB-376		N/A	-	17,143	20,111	2,968	-	
Total Child Nutrition Cluster				37,447	1,079,331	1,106,740	64,856	-	
TOTAL U.S. DEPARTMENT OF AGRICULTURE				37,447	1,079,331	1,106,740	64,856	-	
U.S. DEPARTMENT OF EDUCATION									
Wisconsin Department of Public Instruction									
Title I-A - Grants to Local Educational Agencies		84.010A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-TI-A-141		N/A	109,923	109,923	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-TI-A-141		\$ 597,837	-	494,773	590,386	95,613	-	
Total Title I-A - Grants to Local Educational Agencies				109,923	604,696	590,386	95,613	-	
<u>Special Education Cluster</u>									
Special Education - Grants to States - IDEA Flow Through		84.027A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-FLOW-341		N/A	105,314	105,314	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-FLOW-341		877,582	-	703,675	817,980	114,305	-	
Special Education - Grants to States - CEIS		84.027A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-FLOW-341		N/A	18,734	18,734	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-FLOW-341		161,565	-	135,538	156,571	21,033	-	
Special Education - Preschool Grants		84.173A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-PRESCH-347		N/A	2,656	2,656	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-PRESCH-347		47,151	-	34,910	39,885	4,975	-	
Total Special Education Cluster				126,704	1,000,827	1,014,436	140,313	-	
Career and Technical Education - Basic Grants to States		84.048							
July 1, 2023 - June 30, 2024	2024-713339-DPI-CTE-400		N/A	34,408	34,408	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-CTE-400		34,802	-	-	33,075	33,075	-	
Title III-A English Language Acquisition		84.365A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-T111A-391		N/A	1,599	1,599	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-T111A-391		10,195	-	9,229	9,229	-	-	
Title II-A Supporting Effective Instruction State Grant		84.367A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-TIIA-365		N/A	33,170	33,170	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-TIIA-365		124,808	-	72,834	92,962	20,128	-	
Title IV - Student Support and Academic Enrichment Grants		84.424A							
July 1, 2023 - June 30, 2024	2024-713339-DPI-TIVA-381		N/A	8,654	8,654	-	-	-	
July 1, 2024 - June 30, 2025	2025-713339-DPI-TIV-A-381		65,896	-	34,083	41,385	7,302	-	
<u>Education Stabilization Fund</u>									
COVID-19 - Elementary and Secondary School Emergency Relief		84.425U							
March 13, 2020 - September 30, 2024	2024-713339-DPI-ESSERFIII-165		N/A	779,969	779,969	-	-	-	
March 13, 2020 - September 30, 2024	2025-713339-DPI-ESSERFIII-165		N/A	-	287,419	287,419	-	-	
COVID-19 - Elementary and Secondary School Emergency Relief		84.425U							
March 13, 2020 - September 30, 2024	2024-713339-DPI-LETRS-165		N/A	58,141	58,141	-	-	-	
COVID-19 - Elementary and Secondary School Emergency Relief - Homeless Children and Youth Part 1		84.425W							
March 13, 2020 - September 30, 2024	2024-713339-DPI-ARPAHCY-168		N/A	4,441	4,441	-	-	-	
COVID-19 - Elementary and Secondary School Emergency Relief - Homeless Children and Youth Part 2		84.425W							
April 23, 2021 - September 30, 2024	2024-713339-DPI-ARPHCYII-173		N/A	55	55	-	-	-	
Total Education Stabilization Fund				842,606	1,130,025	287,419	-	-	
Cooperative Educational Service Agency #5		84.027A							
Special Education - Grants to States Discretionary									
July 1, 2024 - June 30, 2025	None		N/A	-	1,500	1,500	-	-	
Mid-State Technical College		84.048							
Career Prep Mini-Grant School to Work Opportunities									
July 1, 2024 - June 30, 2025	None		N/A	-	1,400	1,400	-	-	
TOTAL U.S. DEPARTMENT OF EDUCATION				1,157,064	2,932,425	2,071,792	296,431	-	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Wisconsin Department of Health Services									
<u>Medicaid Cluster</u>									
Grants to States for Medicaid		93.778							
July 1, 2023 - June 30, 2024	None		N/A	30,234	30,234	-	-	-	
July 1, 2024 - June 30, 2025	None		N/A	-	568,631	659,356	90,725	-	
Total Medicaid Cluster				30,234	598,865	659,356	90,725	-	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				30,234	598,865	659,356	90,725	-	
TOTAL EXPENDITURE OF FEDERAL AWARDS				\$ 1,224,745	\$ 4,610,621	\$ 3,837,888	\$ 452,012	\$ -	

The accompanying notes are an integral part of these statements.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	RECEIVABLE	REVENUE		RECEIVABLE	SUBRECIPIENT
			(UNEARNED REVENUE) JULY 1, 2024	GRANTOR REIMBURSEMENTS	EXPENDITURES	(UNEARNED REVENUE) JUNE 30, 2025	PASS-THROUGH EXPENDITURES
STATE OF WISCONSIN							
Higher Education Aids Board							
Dual Enrollment Credential Grant	None	235.150	\$ -	\$ 2,566	\$ 2,566	\$ -	\$ -
TOTAL STATE OF WISCONSIN			-	2,566	2,566	-	-
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	713339-100	255.101	-	1,951,322	1,951,322	-	-
Participant in program at CESA #5	None	255.101	-	54,935	54,935	-	-
State School Lunch Aid	713339-107	255.102	-	14,700	14,700	-	-
Common School Fund Library Aid	713339-104	255.103	-	347,159	347,159	-	-
General Transportation Aid	713339-102	255.107	-	97,595	97,595	-	-
General Aids Cluster							
Equalization Aid	713339-116	255.201	-	27,072,413	27,072,413	-	-
High Cost Special Education Aid	713339-119	255.210	-	19,027	19,027	-	-
Aid for School Mental Health	713339-176	255.227	-	98,367	98,367	-	-
School Based Mental Health Services Grant	713339-177	255.297	-	113,248	113,248	-	-
School Breakfast Program	713339-108	255.344	-	5,709	5,709	-	-
Early College Credit Program	713339-178	255.445	-	606	606	-	-
Educator Effectiveness Evaluation System	713339-154	255.940	-	-	22,975	22,975	-
Per Pupil Aid	713339-113	255.945	-	2,697,170	2,697,170	-	-
Career and Technical Education Incentive	713339-151	255.950	-	72,443	72,443	-	-
Robotics League Participation Grants	713339-167	255.959	-	4,384	4,384	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			-	32,549,078	32,572,053	22,975	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES							
Payment in Lieu of Taxes	None	None	1,294	3,003	1,709	-	-
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES			1,294	3,003	1,709	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Computer Aid	None	None	260,831	260,831	375,502	375,502	-
Exempt Personal Property Aid	None	None	-	537,864	537,864	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			260,831	798,695	913,366	375,502	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 262,125	\$ 33,353,342	\$ 33,489,694	\$ 398,477	\$ -

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1 - Basis of Presentation

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

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents Program

2024-2025 eligible costs under the State Special Education Program are \$6,514,697.

NOTE 4 - Food Distribution Program

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

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**UNIFIED SCHOOL DISTRICT OF MARSHFIELD
MARSHFIELD, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Unified School District of Marshfield
Marshfield, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Unified School District of Marshfield, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Unified School District of Marshfield's basic financial statements and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified School District of Marshfield'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 determination of financial statement amounts. 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*.

Unified School District of Marshfield's Responses to Findings

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

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 Unified School District of Marshfield'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 Unified School District of Marshfield's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
December 18, 2025



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

To the Board of Education
Unified School District of Marshfield
Marshfield, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Unified School District of Marshfield's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Unified School District of Marshfield's major federal and state programs for the year ended June 30, 2025. Unified School District of Marshfield's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District of Marshfield complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
December 18, 2025

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

6. Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster

State Assistance

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

10. Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aid

- | | |
|---|--------------|
| 11. Dollar threshold used to distinguish between: | |
| Type A and Type B federal programs: | \$ 250,000 |
| Type A and Type B state programs: | \$ 1,000,000 |
| 12. Auditee qualified as low-risk auditee? | Yes |

Section II - Financial Statements Findings and Questioned Costs

2025-001 - Preparation of Financial Statements

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2025

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2024-001.

Recommendation: Obtain adequate training to prepare GAAP basis financial statements or use external sources to prepare the financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a certified public accounting (CPA) firm. Management has concluded to hire a CPA firm.

2025-002 - Significant Audit Adjustments

Program: District-Wide

Criteria: Generally accepted accounting principles.

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2024-002.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

UNIFIED SCHOOL DISTRICT OF MARSHFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2025

Management's Response: The District will incorporate financial reporting internal controls to detect significant adjustments, prevent misstated financial statements and increase the accuracy of the interim financial reports used by management.

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Other Issues

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

2. Does the auditors' report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Natural Resources	No
Wisconsin Department of Public Instruction	No
Wisconsin Department of Revenue	No

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

4. Name and signature of partner

Kevin Behnke, CPA

Kevin Behnke, Partner



Unified School District of Marshfield

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN JUNE 30, 2025

Summary Schedule of Prior Audit Findings

2024-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/08.
2024-002 - Significant Audit Adjustments - Repeat. Initially occurred 6/30/17.

Corrective Action Plan

2025-001 - Preparation of Financial Statements - Contact: Sam Lehman, Director of Business Services. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2025-002 - Significant Audit Adjustments - Contact: Sam Lehman, Director of Business Services. Completion date: June 30, 2026. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments. District management will review and approve the audit adjustments.