

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

TOMAH AREA SCHOOL DISTRICT
TOMAH, WISCONSIN

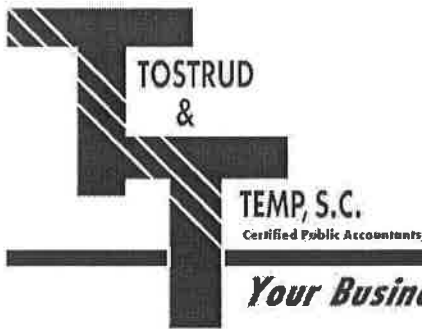
June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Tomah Area School District
Tomah, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tomah Area School District ("District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tomah Area School District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 12 to the financial statements, in 2022 the District adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Leases, for the year ended June 30, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the schedule of expenditures of state awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rostrud + Kemp, S. C.

November 28, 2022

MANAGEMENT' S DISCUSSION AND ANALYSIS

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

This discussion and analysis of the Tomah Area School District's financial information provides an overall review of financial activities for the fiscal year. The analysis focuses on School District financial performance as a whole. Revenue and expense comparisons to the prior fiscal year are used throughout this discussion and analysis letter. It should be read in conjunction with the Letter of Transmittal at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

Total governmental funds revenues were \$46,032,343; including \$12,949,113 of property taxes, \$25,233,913 of state aids and grants, and \$5,772,202 of federal grants. Total governmental fund expenditures were \$43,069,079, including \$23,371,367 for direct instruction. Other financing sources and uses included proceeds from sales of capital assets of \$40,200.

The District implemented GASB No. 87, *Leases*, in the current year and restated its net position at July 1, 2021. The District decreased its net position by \$4,471 to record the net effect of its right-of-use asset, net of accumulated amortization and leases payable at July 1, 2021. More details can be found in Note 12 of the financial statements.

The District has no outstanding general obligation bonds or notes payable at June 30, 2022. The District paid \$51,650 of principal on its leases payable during the year. The District's post-retirement health care and other benefits decreased by \$520,657 and the liability for sick and vacation payable decreased by \$124,681.

The District's financial status, as reflected by total net position, increased by \$6,328,373. Net position of governmental activities increased \$5,927,034, and business-type activities (Food Service Program) increased \$401,339 in net position for the current fiscal year.

Overview of the Financial Statements

The comprehensive annual financial report consists of three parts: management's discussion and analysis, basic financial statements including notes to the financial statements, and required and other supplementary information.

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 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.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

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 and other supplementary information further explains and supports the financial statements by including a comparison of the District's budget data and information on the District's pension and other post-employment benefits information for the year.

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

	District Wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Activities the District operates similar to private business. The District's food service program is its only proprietary operation.	Assets held by the District on behalf of others. The District's OPEB trust funds are reported here.
Required financial statements	*Statement of net position *Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balance	* Statement of net position * Statement of revenues, expenses and changes in net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position.
Basis of accounting and measurement focus	Accrual accounting Economic resources focus.	*Modified accrual accounting *Current financial resources focus	* Accrual accounting * Economic resources focus	* Accrual accounting * Economic resources focus
Type of asset, deferred outflows of resources and liability information	All assets, deferred outflows (inflows) of resources, and liabilities; both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources; both financial and capital; short-term and long-term.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources; both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, but can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues or deductions during the year, regardless of when cash is received or paid.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Activities reports all revenues and expenses used to support District activities. The two District-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities should be considered. In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education instruction, transportation, support services, debt service, capital projects, community programs and administration. Property taxes and state equalization aid finance most of these activities.
- Business-type activities – Activities that are intended to be mostly self-supporting and meet certain accounting criteria are considered business-type activities. The District charges fees and receives federal and state reimbursements to cover the costs of its food service operation. The food service operation is the only activity that is considered a business-type activity.

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 (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as capital project funds).

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

Fund Financial Statements - Continued

- Proprietary fund – The food service fund, an activity for which the District charges a fee and for which revenues are expected to cover all expenses, is reported as a proprietary fund. Proprietary funds are reported in the same way as District-wide statements.
- Fiduciary funds – The District serves as a trustee, or fiduciary, for its employee benefit trust fund. The assets of these trust funds belong to the trust and not to the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

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, 2022, compared to 2021. The District's total combined net position was \$37,720,084 at June 30, 2022, which is an increase of 20.14% over the prior year. The increase in net position is mostly due to conservative spending in the general fund, the capitalization of assets purchased in the general fund and the decrease in net pension liabilities and net OPEB obligations.

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	
Current assets	\$ 11,273.1	\$ 14,445.1	\$ 294.5	\$ 649.0	\$ 11,567.6	\$ 15,094.1	30.49%
Capital and other assets	33,834.7	36,955.1	427.9	468.9	34,262.6	37,424.0	9.23%
Total assets	45,107.8	51,400.2	722.4	1,117.9	45,830.2	52,518.1	14.59%
Deferred outflow s of resources	13,522.7	19,930.70	431.1	627.5	13,953.8	20,558.2	47.33%
Long-term debt outstanding	7,623.6	7,363.4	213.5	192.7	7,837.1	7,556.1	-3.59%
Other liabilities	2,279.6	2,502.1	87.4	85.40	2,367.0	2,587.5	9.32%
Total liabilities	9,903.2	9,865.5	300.9	278.1	10,204.1	10,143.6	-0.59%
Deferred inflow s of resources	17,632.1	24,447.7	551.6	765.1	18,183.7	25,212.8	38.66%
Net Position							
Net investment in capital assets	26,406.0	27,094.6	198.1	169.0	26,604.1	27,263.6	2.48%
Restricted	4,689.2	9,171.7	102.9	533.4	4,792.1	9,705.1	102.52%
Unrestricted	-	751.4	-	-	-	751.4	100.00%
TOTAL NET POSITION	\$ 31,095.2	\$ 37,017.7	\$ 301.0	\$ 702.4	\$ 31,396.2	\$ 37,720.1	20.14%

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

Financial Analysis of the District as a Whole – Continued

For the year ended June 30, 2022, the largest portion of the District's net position is its investment in capital assets of \$27,263,534 (e.g. land, buildings, and equipment, less depreciation and related outstanding debt used to acquire those assets). These assets are used to provide services to students and consequently are not available for future spending. Restricted net position for the District accounts for \$9,705,106 of total net position the remaining \$751,444 of net position is unrestricted.

Table 2
Changes in Net Assets from Operating Results
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	
Revenues							
Program revenues							
Charges for services	\$ 130.3	\$ 189.8	\$ 97.0	\$ 163.5	\$ 227.3	\$ 353.3	55.43%
Operating grants & contributions	6,094.9	8,960.2	1,441.8	1,881.1	7,536.7	10,841.3	43.85%
Capital grants & contributions	-	-	-	-	-	-	0.00%
General revenues							
Property and other taxes	13,020.1	12,949.1	-	-	13,020.1	12,949.1	-0.55%
State equalization aid	19,854.3	20,368.0	-	-	19,854.3	20,368.0	2.59%
Gain on sale of fixed assets	15.0	-	-	-	15.0	-	-100.00%
Transfers in (out)	-	-	-	-	-	-	0.00%
Other	3,496.7	3,565.3	0.6	9.7	3,497.3	3,575.0	2.22%
Total revenues	42,611.3	46,032.4	1,539.4	2,054.3	44,150.7	48,086.7	8.91%
Expenses							
Instruction	21,281.4	22,268.7	-	-	21,281.4	22,268.7	4.64%
Pupil & instructional services	3,321.7	3,688.7	-	-	3,321.7	3,688.7	11.05%
General & Building Administration	2,094.1	2,155.6	-	-	2,094.1	2,155.6	2.94%
Business Administration	7,041.0	7,875.6	-	-	7,041.0	7,875.6	11.85%
Central	137.7	172.7	-	-	137.7	172.7	25.42%
Debt service	9.0	13.3	-	-	9.0	13.3	47.78%
Insurance	389.7	407.5	-	-	389.7	407.5	4.57%
Other	2,627.3	3,473.0	1,372.4	1,653.0	3,999.7	5,126.0	28.16%
Loss on asset disposal	-	50.2	-	-	-	50.2	100.00%
Total expenses	36,901.9	40,105.3	1,372.4	1,653.0	38,274.3	41,758.3	9.10%
CHANGE IN NET POSITION	\$ 5,709.4	\$ 5,927.1	\$ 167.0	\$ 401.3	\$ 5,876.4	\$ 6,328.4	

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

Financial Analysis of the District as a Whole – Continued

Table 2 provides summarized operating results and their impact on net position. Governmental activities increased the financial position of the District by \$5,927,034 and business-type activities increased the District's financial position by \$401,339.

The District governmental activities revenues are primarily from property taxes (28%), unrestricted state and federal aids (52%) and operating grants and contributions (19%).

Table 3 presents the cost of the 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).

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2020-2021	2021-2022		2020-2021	2021-2022	
Expenses						
Instruction	\$ 21,281.40	\$ 22,268.74	5%	\$ 17,458.28	\$ 17,958.09	3%
Pupil & instructional services	3,321.61	3,688.60	11%	2,412.65	1,545.19	-56%
General & Building Administration	2,094.10	2,155.56	3%	2,093.62	2,154.75	3%
Business Administration	7,041.01	7,875.64	12%	5,937.29	5,676.64	-5%
Central	137.75	172.70	25%	122.11	145.81	16%
Principal & interest	9.05	13.33	47%	9.05	13.33	32%
Insurance	389.74	407.54	5%	388.44	371.07	-5%
Other	2,627.33	3,473.04	32%	2,255.35	3,040.31	26%
Loss on asset disposal	-	50.16	100%	-	50.16	100%
TOTAL EXPENSES	\$ 36,901.99	\$ 40,105.31		\$ 30,676.79	\$ 30,955.35	

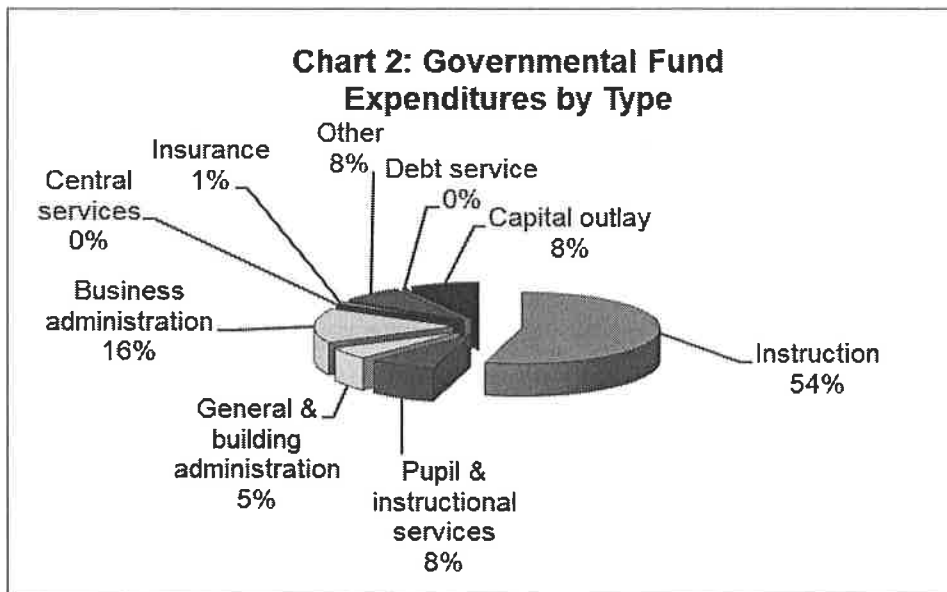
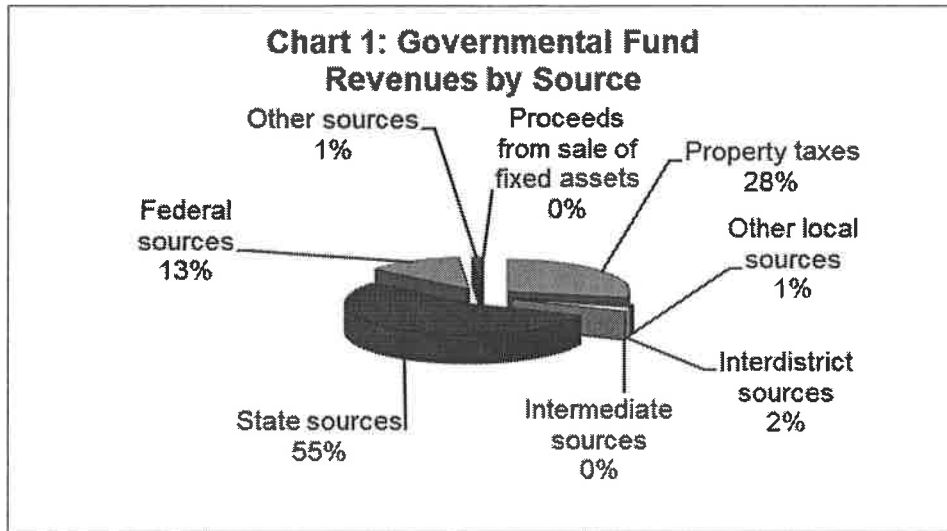
Note: Totals may not add due to rounding

The cost of all governmental activities this year was \$40,105,309. Individuals who directly participated or benefited from a program offering paid \$189,763 of costs. Federal and state governments and other revenues subsidized certain programs with grants and contributions of \$8,960,198. The net cost of governmental activities of \$30,955,348 was financed by general revenues of the District.

Tomah Area School District
Management's Discussion and Analysis
 Year ended June 30, 2022

Financial Analysis of the District's Governmental Fund Statements

The composition of governmental revenues by source are illustrated in Chart 1 below. Chart 2 details governmental expenditures by type.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were operating revenues of \$2,052,984 and interest income of \$1,398. Operating revenues were comprised of charges for services (8%), federal and state reimbursements (85%) and commodities (6%). Operating expenses were \$1,653,043. Major expenses include food purchases (53%) and labor/benefits (43%). All lunches and breakfasts were free to students for the current school year.

Tomah Area School District
Management's Discussion and Analysis
 Year ended June 30, 2022

Financial Aspect of the District's Fund Balance

The District completed the year with a total governmental fund balance, which excludes the food service program, of \$11,996,909. The fund balance increased \$3,003,464 from last year's ending funding balance of \$8,993,445 due to conservative spending in the general fund, reduced expenditures due to the COVID-19 Pandemic and supply chain issues. The District was also able to transfer \$1,000,000 from the general fund to its capital improvement trust fund for future capital projects.

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. The District modified its original budget during the 2021-2022 school year to reflect:

- Reallocation of unspent salaries and benefits and other budget appropriations to several facility, technology and curriculum projects.
- Modifications in several state and federal grants.
- Reduced expenditures due to the COVID-19 Pandemic and supply chain issues.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had invested \$61,299,072 in capital assets, including buildings, sites, library books, and equipment (See Table 4). Total accumulated depreciation on these assets equaled \$34,035,538. Asset acquisitions for governmental activities totaled \$3,438,714 and \$5,183 for the food service program. The District recognized depreciation expense of \$2,659,762 for governmental activities and \$34,372 for the food service program for the year ended June 30, 2022. Detailed information about capital assets can be found in Note 6 to the financial statements.

Table 4							
Capital Assets							
(net of depreciation, in thousands of dollars)							
	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	
Land and site improvements	\$ 3,109.72	\$ 3,213.48	\$ -	\$ -	\$ 3,109.72	\$ 3,213.48	3.34%
Buildings & building improvements	35,328.66	35,986.48	65.75	65.75	35,394.41	36,052.23	1.86%
Equipment & furniture	19,104.78	21,472.71	555.47	560.65	19,660.25	22,033.36	12.07%
Construction in process	52.66	-	-	-	52.66	-	-100.00%
Accumulated depreciation	(31,189.83)	(33,578.09)	(423.08)	(457.45)	(31,612.91)	(34,035.54)	7.66%
TOTAL	\$ 26,405.99	\$ 27,094.58	\$ 198.14	\$ 168.95	\$ 26,604.13	\$ 27,263.53	

Note: Totals may not add due to rounding

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

Right-of-Use Assets

At the end of fiscal year 2022, the District had \$269,939 in right-of-use assets, including copiers and printers. Total accumulated amortization on these assets equaled \$107,976. The District recognized amortization expense of \$53,988 for the year ended June 30, 2022. Detailed information about capital assets can be found in Note 7 to the financial statements.

Long-Term Liabilities

At year-end, the District had no outstanding bonds or notes payable. The District had \$7,609,931 in net long-term liabilities – a net decrease of \$447,626 from July 1, 2021. This decrease is largely attributable to the \$520,657 decrease in the District's other post-employment benefits liability. The District paid \$51,650 in principal on leases payable.

Table 5			
Outstanding Long-Term Liabilities			
Total School District			
(in thousands of dollars)			
	(As Restated)		Total
	2020-2021	2021-2022	Percentage
	_____	_____	Change
Leases payable	\$ 220.42	\$ 168.77	-30.60%
Other	7,837.14	7,441.16	-5.32%
TOTAL	\$ 8,057.56	\$ 7,609.93	-5.88%

General obligation 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 to the debt service fund for annual debt service payments.

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2022

Factors Bearing on the District's Future

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

- The actual impact of the future financial outlook at the local, state, and federal level.
- Funding of school related budgets and aids at the local, state and federal level.
- The continued need and reliance on referendums to supplement school budgets.
- The lack of allowable per student increases on the revenue limit on the 2022-22 and 2022-23 budgets.
- State aid allocations based on enrollments.
- Enrollment will continue to significantly impact District budgets going forward until enrollment levels off. Enrollment will either negatively or positively impact the District's Base Revenue and State Aid depending on whether enrollment increases or decreases in relation to District equalized values.
- Increases or decreases on federal grant dollars for Title I, Title IIA, IDEA, and Pre-School Grants.
- The ongoing impact of COVID-19 and supply chain issues on the finances of the District.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Business Manager, (608) 374-7003 at the Tomah Area School District, 129 W. Clifton Street, Tomah, WI 54660.

FINANCIAL SECTION

Tomah Area School District

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business- Type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 9,469,888	\$ 586,073	\$ 10,055,961
Prepaid expenses	38,699	-	38,699
Receivables			
Taxes	2,938,489	-	2,938,489
Accounts	2,510	-	2,510
Due from other governments	1,995,520	36,024	2,031,544
Inventory	-	26,920	26,920
Total current assets	<u>14,445,106</u>	<u>649,017</u>	<u>15,094,123</u>
Noncurrent assets			
Capital assets	60,672,666	626,406	61,299,072
Less: accumulated depreciation	(33,578,086)	(457,452)	(34,035,538)
Total capital assets, net	<u>27,094,580</u>	<u>168,954</u>	<u>27,263,534</u>
Right-of-use asset, net of accumulated amortization	161,963	-	161,963
Net pension asset - WRS	9,698,530	299,953	9,998,483
Total noncurrent assets	<u>36,955,073</u>	<u>468,907</u>	<u>37,423,980</u>
Total assets	51,400,179	1,117,924	52,518,103
Deferred outflows of resources			
OPEB	1,640,522	61,844	1,702,366
Pension plan - WRS	18,290,215	565,678	18,855,893
	<u>19,930,737</u>	<u>627,522</u>	<u>20,558,259</u>
Total assets and deferred outflows of resources	<u>\$ 71,330,916</u>	<u>\$ 1,745,446</u>	<u>\$ 73,076,362</u>
Liabilities			
Current liabilities			
Current portion of long- term obligations	\$ 53,888	\$ -	\$ 53,888
Accounts payable	103,099	24,106	127,205
Accrued liabilities			
Payroll, payroll taxes, and insurances	2,345,098	15,169	2,360,267
Unearned revenue	-	46,079	46,079
Total current liabilities	<u>2,502,085</u>	<u>85,354</u>	<u>2,587,439</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	<u>7,363,374</u>	<u>192,669</u>	<u>7,556,043</u>
Total liabilities	<u>9,865,459</u>	<u>278,023</u>	<u>10,143,482</u>
Deferred inflows of resources			
OPEB	1,612,797	58,853	1,671,650
Pension plan - WRS	22,834,911	706,235	23,541,146
	<u>24,447,708</u>	<u>765,088</u>	<u>25,212,796</u>
Net position			
Investment in capital assets	27,094,580	168,954	27,263,534
Restricted	9,171,725	533,381	9,705,106
Unrestricted	751,444	-	751,444
Total net position	<u>37,017,749</u>	<u>702,335</u>	<u>37,720,084</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 71,330,916</u>	<u>\$ 1,745,446</u>	<u>\$ 73,076,362</u>

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities							
Current							
Instruction							
Regular instruction	\$ 14,915,603	\$ 19,779	\$ 1,979,469	\$ -	\$ (12,916,355)	\$ -	\$ (12,916,355)
Vocational instruction	936,806	17,719	81,532	-	(837,555)	-	(837,555)
Special education instruction	4,655,796	-	1,778,869	-	(2,876,927)	-	(2,876,927)
Other instruction	1,760,534	72,715	360,569	-	(1,327,250)	-	(1,327,250)
Total instruction	<u>22,268,739</u>	<u>110,213</u>	<u>4,200,439</u>	<u>-</u>	<u>(17,958,087)</u>	<u>-</u>	<u>(17,958,087)</u>
Support services							
Pupil services	1,393,979	-	655,642	-	(738,337)	-	(738,337)
Instructional staff services	2,294,618	61,476	1,426,289	-	(806,853)	-	(806,853)
General administration services	464,508	-	-	-	(464,508)	-	(464,508)
School administration services	1,691,054	-	814	-	(1,690,240)	-	(1,690,240)
Business administration services	7,875,644	18,074	2,180,927	-	(5,676,643)	-	(5,676,643)
Central services	172,696	-	26,882	-	(145,814)	-	(145,814)
Insurance	407,544	-	36,472	-	(371,072)	-	(371,072)
Other support services	1,252,100	-	5,030	-	(1,247,070)	-	(1,247,070)
Total support services	<u>15,552,143</u>	<u>79,550</u>	<u>4,332,056</u>	<u>-</u>	<u>(11,140,537)</u>	<u>-</u>	<u>(11,140,537)</u>
Non-program							
Other non-program	2,220,943	-	427,703	-	(1,793,240)	-	(1,793,240)
Loss on asset disposal	50,158	-	-	-	(50,158)	-	(50,158)
Total non-program	<u>2,271,101</u>	<u>-</u>	<u>427,703</u>	<u>-</u>	<u>(1,843,398)</u>	<u>-</u>	<u>(1,843,398)</u>
Debt service							
	<u>13,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,326)</u>	<u>-</u>	<u>(13,326)</u>
Total governmental activities	40,105,309	189,763	8,960,198	-	(30,955,348)	-	(30,955,348)
Business-type activities							
School food service program	<u>1,653,043</u>	<u>163,515</u>	<u>1,881,086</u>	<u>-</u>	<u>-</u>	<u>391,558</u>	<u>391,558</u>
Total school district	<u>\$ 41,758,352</u>	<u>\$ 353,278</u>	<u>\$ 10,841,284</u>	<u>\$ -</u>	<u>(30,955,348)</u>	<u>391,558</u>	<u>(30,563,790)</u>
General revenues							
Property taxes							
General purposes					12,910,123	-	12,910,123
Mobile home taxes					38,990	-	38,990
State and federal aids not restricted to specific functions							
General					20,367,983	-	20,367,983
Other					3,553,806	-	3,553,806
Interest and investment earnings					11,477	1,398	12,875
Miscellaneous					3	8,383	8,386
Total general revenues					<u>36,882,382</u>	<u>9,781</u>	<u>36,892,163</u>
Change in net position							
					5,927,034	401,339	6,328,373
Net position at July 1, 2021 - as restated					<u>31,090,715</u>	<u>300,996</u>	<u>31,391,711</u>
Net position at June 30, 2022					<u>\$ 37,017,749</u>	<u>\$ 702,335</u>	<u>\$ 37,720,084</u>

The accompanying notes are an integral part of this statement.

Tomah Area School District
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Trust Fund	Capital Improvement Trust Fund	Other Governmental Funds	Total
Assets					
Cash and investments	\$ 6,503,092	\$ 742,109	\$ 2,134,471	\$ 90,216	\$ 9,469,888
Prepaid expenses	38,699	-	-	-	38,699
Receivables					
Taxes	2,938,489	-	-	-	2,938,489
Accounts	2,510	-	-	-	2,510
Due from other funds	-	-	1,000,000	-	1,000,000
Due from other governments	1,995,520	-	-	-	1,995,520
Total assets	\$ 11,478,310	\$ 742,109	\$ 3,134,471	\$ 90,216	\$ 15,445,106
 Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 103,099	\$ -	\$ -	\$ -	\$ 103,099
Accrued liabilities					
Payroll, payroll taxes, insurance	2,345,098	-	-	-	2,345,098
Due to other funds	1,000,000	-	-	-	1,000,000
Total liabilities	3,448,197	-	-	-	3,448,197
 Fund balances					
Nonspendable	38,699	120,000	-	-	158,699
Restricted	51,095	622,109	3,134,471	90,216	3,897,891
Unrestricted					
Unassigned	7,940,319	-	-	-	7,940,319
Total fund balances	8,030,113	742,109	3,134,471	90,216	11,996,909
Total liabilities and fund balances	\$ 11,478,310	\$ 742,109	\$ 3,134,471	\$ 90,216	\$ 15,445,106

The accompanying notes are an integral part of this statement.

Tomah Area School District
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 June 30, 2022

Fund balance - governmental funds \$ 11,996,909

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

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

Governmental capital assets	\$ 60,672,666	
Governmental accumulated depreciation	<u>(33,578,086)</u>	27,094,580

Right-of-use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Right-of-use assets	269,939	
Accumulated amortization	<u>(107,976)</u>	161,963

Wisconsin Retirement System asset is not a current financial resource and is not reported in the fund statements:

9,698,530

Deferred outflows of resources represent consumption of net position that apply to future periods and therefore are not reported in the fund statements.

Deferred outflows of resources consist of:

OPEB	1,640,522	
Pension plan - WRS	<u>18,290,215</u>	19,930,737

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

Leases payable	(168,772)	
Vested employee benefits	(1,258,359)	
Other post-employment benefits	<u>(5,990,131)</u>	(7,417,262)

Deferred inflows of resources are acquisitions of net position that are applicable to future reporting periods and therefore are not reported in the fund statements.

Deferred inflows of resources consist of:

OPEB	(1,612,797)	
Pension plan - WRS	<u>(22,834,911)</u>	<u>(24,447,708)</u>

Total net position - governmental activities		\$ <u><u>37,017,749</u></u>
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The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2022

	General Fund	Special Revenue Trust Funds	Capital Improvement Trust Fund	Other Governmental Funds	Total
Revenues					
Property taxes	\$ 12,949,113	\$ -	\$ -	\$ -	\$ 12,949,113
Other local sources	189,233	441,104	2,524	315	633,176
Interdistrict sources	813,644	-	-	-	813,644
Intermediate sources	36,036	-	-	-	36,036
State sources	25,233,913	-	-	-	25,233,913
Federal sources	5,740,437	-	-	31,765	5,772,202
Other sources	594,259	-	-	-	594,259
Total revenues	<u>45,556,635</u>	<u>441,104</u>	<u>2,524</u>	<u>32,080</u>	<u>46,032,343</u>
Expenditures					
Current					
Instruction					
Regular instruction	15,474,402	7,619	-	-	15,482,021
Vocational instruction	1,001,583	-	-	-	1,001,583
Special instruction	5,060,297	-	-	-	5,060,297
Other instruction	1,475,136	352,330	-	-	1,827,466
Total instruction	<u>23,011,418</u>	<u>359,949</u>	<u>-</u>	<u>-</u>	<u>23,371,367</u>
Support services					
Pupil services	1,473,134	2,900	-	31,765	1,507,799
Instructional staff services	1,894,934	16,760	-	-	1,911,694
General administration services	479,070	-	-	-	479,070
Building administration services	1,826,265	814	-	-	1,827,079
Business administration services	6,693,076	9,636	-	-	6,702,712
Central services	163,748	424	-	-	164,172
Insurance	407,544	-	-	-	407,544
Other support services	973,009	-	-	-	973,009
Total support services	<u>13,910,780</u>	<u>30,534</u>	<u>-</u>	<u>31,765</u>	<u>13,973,079</u>
Non-program services	2,162,218	58,725	-	-	2,220,943
Debt service	64,976	-	-	-	64,976
Capital outlay	3,438,714	-	-	-	3,438,714
Total expenditures	<u>42,588,106</u>	<u>449,208</u>	<u>-</u>	<u>31,765</u>	<u>43,069,079</u>
Excess (deficiency) of revenues over expenditures	2,968,529	(8,104)	2,524	315	2,963,264
Other financing sources (uses)					
Proceeds from sale of fixed assets	40,200	-	-	-	40,200
Transfer from (to) other funds	(1,000,000)	-	1,000,000	-	-
	<u>(959,800)</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>40,200</u>
Net change in fund balances	2,008,729	(8,104)	1,002,524	315	3,003,464
Fund balances at July 1, 2021	6,021,384	750,213	2,131,947	89,901	8,993,445
Fund balances at June 30, 2022	<u>\$ 8,030,113</u>	<u>\$ 742,109</u>	<u>\$ 3,134,471</u>	<u>\$ 90,216</u>	<u>\$ 11,996,909</u>

The accompanying notes are an integral part of this statement.

Tomah Area School District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2022

Net change in fund balances - total governmental funds \$ 3,003,464

Amounts reported for governmental fund statements and the statement of activities are different because:

The acquisition of capital assets and right-of-use assets are reported in the governmental fund statements 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 and amortization expenses in the statement of activities. Assets disposed of for less than book value (cost - accumulated depreciation) are recorded as losses on disposal of capital assets.

Capital outlay reported as expenditures in governmental fund statements	\$ 3,438,714	
Depreciation expense reported in the statement of activities	(2,659,762)	
Amortization expense reported in the statement of activities	(53,988)	
Proceeds from sale of fixed assets	(40,200)	
Loss on sale of capital assets	<u>(50,158)</u>	634,606

Sick and vacation benefits are reported in the governmental fund statements when amounts are paid. The statement of activities reports the value of benefits earned during the year:

Sick and vacation benefits paid in current year	158,701	
Sick and vacation benefits earned in current year	<u>(283,382)</u>	(124,681)

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

Current year principal payments on leases:		51,650
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Other post-employment benefits (OPEB) reported in the governmental funds represents current year contributions into the OPEB plan. OPEB expense in the Statement of Activities is actuarially determined by the OPEB plan as the difference between the the OPEB liability from the prior year to the current year, with some adjustments.

Amount of contributions to the OPEB trust and required life insurance payments during the year	629,122	
Actuarially determined change in OPEB liability between years, with adjustments	<u>(545,090)</u>	84,032

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the pension liability (asset) from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan	1,440,062	
Actuarially determined change in net pension liability (asset) between years, with adjustments	<u>837,901</u>	<u>2,277,963</u>

Change in net position - governmental activities \$ 5,927,034

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
June 30, 2022

Assets

Current assets

Cash and investments	\$	586,073
Accounts receivable		-
Due from other governments		36,024
Inventory		26,920
		26,920

Total current assets 649,017

Non-current assets

Capital assets		626,406
Less accumulated depreciation		(457,452)
Net capital assets		168,954
Net pension asset - WRS		299,953
Total non-current assets		468,907

Deferred outflows of resources

OPEB		61,844
Pension plan - WRS		565,678
		627,522

Total assets and deferred outflows of resources \$ 1,745,446

Liabilities

Current liabilities

Accounts payable	\$	24,106
Accrued payroll, payroll taxes and insurance		15,169
Unearned revenue - student lunch accounts		46,079
		46,079

Total current liabilities 85,354

Non-current liabilities

Other post-employment benefits liability		192,669
Total non-current liabilities		192,669

Total liabilities 278,023

Deferred inflows of resources

OPEB		58,853
Pension plan - WRS		706,235
		765,088

Net position

Investment in capital assets		168,954
Restricted		533,381
		533,381

Total net position 702,335

Total liabilities, deferred inflows of resources, and net position \$ 1,745,446

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2022

Revenues	
Food sales	\$ 163,515
State sources	1,072
Federal sources	1,754,161
Federal commodities	125,853
Other sources	<u>8,383</u>
Total revenues	2,052,984
Operating expenses	
Salaries and wages	605,165
Employer paid benefits	101,751
Purchased services	29,670
Supplies, food and materials	879,759
Other	2,326
Depreciation	<u>34,372</u>
Total operating expenses	<u>1,653,043</u>
Operating income (loss)	399,941
Non-operating revenue	
Interest income	<u>1,398</u>
	1,398
Change in net position	401,339
Net position at beginning of year	<u>300,996</u>
Net position at end of year	<u><u>\$ 702,335</u></u>

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2022

Increase in Cash and Cash Equivalents

Cash flows from operating activities:	
Cash received from user charges	\$ 225,103
Cash received from other government payments	1,719,706
Cash received from other sources	8,383
Cash payments to employees for services	(776,627)
Cash payments for utilities and other purchased services	(29,670)
Cash payments to suppliers for goods and services	(745,624)
Cash payments for other operating expenses	<u>(2,326)</u>
Net cash provided by operating activities	398,945
Cash flows used in capital and related financing activities:	
Capital expenditures	(5,183)
Cash flows from investing activities:	
Interest on investments	<u>1,398</u>
	<u>1,398</u>
Net increase in cash and cash equivalents	395,160
Cash and cash equivalents at beginning of year	<u>190,913</u>
Cash and cash equivalents at end of year	<u><u>\$ 586,073</u></u>

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

Operating income	\$ 399,941
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	34,372
Pension expense	(70,452)
OPEB adjustment	(3,500)
Changes in net position and liabilities	
Decrease in due from other governments	76,625
(Increase) in accounts receivable	(35,527)
(Increase) in inventory	(462)
Increase in accounts payable	8,744
Increase in accrued liabilities	4,241
(Decrease) in unearned revenue	<u>(15,037)</u>
	<u>(996)</u>
Net cash provided by operating activities	<u><u>\$ 398,945</u></u>

Non-cash Non-Capital Financing Activities

During the year, the District received commodities from the U.S. Department of Agriculture in the amount of \$125,853.

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Employee Benefit Trust	<u>Total</u>
Assets		
Cash and cash equivalents	\$ 847,138	\$ 847,138
Total assets	<u>\$ 847,138</u>	<u>\$ 847,138</u>
Net position		
Restricted for employee post-employment benefits	\$ 847,138	\$ 847,138
Total net position	<u>\$ 847,138</u>	<u>\$ 847,138</u>

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2022

Additions		
Interest income	\$ 11,886	\$ 11,886
Employee trust fund contribution	<u>623,085</u>	<u>623,085</u>
	634,971	634,971
Deductions		
Employee benefits	<u>543,085</u>	<u>543,085</u>
	543,085	543,085
Net change in position	91,886	91,886
Net position at beginning of year	<u>755,252</u>	<u>755,252</u>
Net position at end of year	<u>\$ 847,138</u>	<u>\$ 847,138</u>

The accompanying notes are an integral part of these statements.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Tomah Area School District (the "District") is organized as a common school district. The District, governed by a seven-member elected school board, operates grades kindergarten through 12 and is comprised of all or parts of twenty-two (22) taxing districts.

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

B. Component Units

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements. It was determined that the District has no component units, and it is not included in any other governmental reporting entity.

C. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for government-wide and business-type activities and 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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued

District-wide Statements - Continued

requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Special revenue fund - This fund is used to account for the proceeds of non-trust revenues of which the expenditures are limited to specified purposes related to district operations. The most common source of such funds is gifts and donations. Student activity funds and scholarships are also recorded in this fund.

Long term capital improvement trust fund - A school board with an approved long-term capital improvement plan (minimum of 10 years) may establish a "trust" that is funded with a transfer from the general fund. A school board is prohibited from removing money deposited into this fund for a period of five years after the fund is created. Funds may only be used for the purposes identified in the approved long-term capital improvement plan. These assets may not be transferred to any other school district fund.

The District operates one enterprise fund, the **food service fund**. This fund accounts for the activities of the District's food service programs, generally school breakfast and hot lunch.

The District accounts for assets held as an agent for an employee benefit trust fund in fiduciary funds.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting

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

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

E. 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 the date of the financial statements. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash and Investments - Continued

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

All investments are stated at fair market value. Determination of fair value for investment in the state treasurer's investment pool is based on information provided by the State of Wisconsin Investment Board.

F. Receivables and Payables

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

Any amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

G. 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 an acquisition of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has two items related to its pension and other post-employment benefit (OPEB) plans that qualifies for reporting in this category.

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 a consumption 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 two items that qualify for reporting in this category, one related to its pension plan and the other related to its OPEB plan.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Inventory

The District's food service inventory is valued at the lower of cost or market on a first-in, first-out basis.

I. Capital Assets

Capital assets with a minimum cost of \$5,000 are reported at actual cost where possible; otherwise estimated cost was used based on District estimates of original cost. Donated assets are reported at estimated fair market value on the date received.

Depreciable assets are depreciated over their useful lives by the straight-line method. Estimated useful lives are as follows:

Land improvements	20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years

J. Right-of-use Assets

The District has recorded right-of-use lease assets as a result of implementing GASB 87. The right-of-use assets are initially measured at the amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis over the life of the related lease.

K. Retirement Plans

District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when corresponding salaries or wages are accrued.

L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The District's policy allows employees to accumulate a maximum of 120 days of sick pay for teachers and 140 days of sick pay for administrators. If the employee has at least fifteen years of service upon retirement or termination, the employee is paid for one-half of his/her accumulated sick pay based upon an average of his/her last five years' pay.

In the governmental statements, the payment of benefits is recorded as expenditures in the fiscal year when these amounts are paid. In the statement of activities, the benefits are recorded when earned.

Payment for accumulated vacation for administrators, support staff and central office staff will be placed into a health reimbursement account (HRA) based on current pay rates at the time of termination. Accumulated unpaid vacation is lost for all other employees. See Note 10 for additional information about these and other benefits and the related liability.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Unearned Revenue

The District maintains prepaid family lunch accounts for student lunches. The District records these balances as unearned revenue.

N. Net Position Classification

The District classifies its net position as follows:

- a. Investment in capital assets represents the net depreciated value of capital assets. No debt is owed that was incurred to finance the acquisition of such assets.
- b. Restricted net position indicates that portion of net position that has been legally segregated for specific purposes.
- c. Unrestricted net position indicates that portion of net position for which the District has no legal financial obligation.

Net position classifications for restricted and all categories of unrestricted amounts are considered to have been spent when a qualifying expenditure is incurred.

O. Fund Balance Classification

The District classifies its fund balance as follows:

- a. Unrestricted, unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.
- b. Unrestricted, assigned fund balances include amounts that can be spent only for specific purposes stipulated by representatives designated by the Board.
- c. Unrestricted, committed fund balances include amounts that can be spent only for specific purposes approved by the Board.
- d. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).

Fund balance classifications for restricted and all categories of unrestricted amounts are considered to have been spent when a qualifying expenditure is incurred.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expense adjustments report the differences between the two accounting methods used in recognizing vested employee benefits.
- b. Capital asset related differences between recording expenditures for the purchase of capital items in the governmental fund statements versus increasing non-current assets on the statement of net position and recording depreciation expense on all capital items in the statement of activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease, as applicable, in the statement of net position, and interest expense is recorded in the statement of activities as incurred.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of net position	
Governmental activities	\$ 9,469,888
Business-type activities	586,073
	10,055,961
Fiduciary funds	847,138
	\$10,903,099

Cash and investments as of June 30, 2022 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 363,264	\$ 373,193
Money market accounts	7,165,507	7,732,808
Passbook savings	2,312,888	2,312,888
Certificates of deposit	213,605	213,605
	10,055,264	\$10,632,494
Registered group variable contract - AUL fixed interest account	847,138	
Local government investment pool	697	
Total	\$10,903,099	

Investment Pool Information

Participation in the State of Wisconsin Local Government Investment Pool (LGIP) is voluntary. The LGIP is part of the State of Wisconsin Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board (SWIB). The LGIP is not registered with the Securities and Exchange Commission, but operated under the statutory authority of Wisconsin state statutes. The LGIP does not have a credit quality rating. Funds invested in the LGIP are due to the District on demand. The District has relied on data provided by the LGIP for the valuation of pooled investments. At June 30, 2022, the LGIP's fair value was 100 percent of book value.

SWIB may invest in obligations of the U.S. Treasury and its agencies, commercial paper, bank time deposits/certificates of deposit, bankers' acceptances, and asset backed securities and repurchase agreements secured by the U.S. Government or its agencies and other instruments authorized under the SIF investment guidelines.

Investments Authorized by the District's Investment Policy

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). The District's investment policy is to invest in authorized funds that maximize the returns on the District's cash balances consistent with the safety of those monies and with the desired liquidity of the investments.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's policy is to invest funds with maturities of not more than three years. As of year-end, the weighted average maturity of the investments in certificates of deposit is 8.02 months.

Maturities for investments are as follows:

	Fair Value	Remaining Maturity (in Years)			
		0-1	1-5	6-10	More Than 10
Registered group variable contract - AUL fixed interest account	\$ 847,138	\$ 847,138	\$ -	\$ -	\$ -
Local government investment pool	697	697	-	-	-
Total	<u>\$ 847,835</u>	<u>\$ 847,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District holds a registered group variable annuity contract from American United Life Insurance Company (AUL). This account is not FDIC insured. Principal and interest rate guarantees are subject to the claims paying ability of the insurance company. AUL's financial strength rating by A.M. Best is A+ (superior) based on ratings as of June 30, 2022.

Concentration of Credit Risk

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The District's investment policy does not specifically address guidelines regarding concentration of credit risk.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The District does not have an investment policy that would limit the exposure to custodial credit risk for deposits. The District has securities pledged at one of its financial institutions in its name to cover deposits exceeding federal depository insurance limits in the amount of \$250,000. The Wisconsin State Deposit Guarantee Fund provides coverage for uninsured and uncollateralized cash and investments for up to an additional \$400,000, but collection is not certain due to the limited size of the fund.

At June 30, 2022, the District had \$400,000 in deposits with financial institutions in excess of federal depository insurance limits that were covered under the state guarantee fund and \$1,968,978 that were uncollateralized and not covered by the state guarantee fund. Uncollateralized amounts varied during the fiscal year.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Investments held at market at June 30, 2022 are as follows:

	Cost at June 30, 2022	Fair value at June 30, 2022	
Registered group variable contract - AUL fixed interest account	\$ 936,789	\$ 847,138	
Local government investment pool	697	697	

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Assets measured at fair value as of June 30, 2022 are:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserv- able Inputs (Level 3)
Registered group variable contract - AUL fixed interest account	\$ 847,138	\$ -	\$ 847,138	\$ -
Local government investment pool	697	-	697	-
Total	\$ 847,835	\$ -	\$ 847,835	\$ -

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund amounts owed to and from funds as of June 30, 2022 resulting from routine District operations, all expected to be repaid within the next fiscal year, are as follows:

Due From	Due To	Amount
General Fund	Capital Improvement Trust Fund	\$ 1,000,000

During the fiscal year, the District transferred \$1,000,000 from the General Fund to the Capital Improvement Trust Fund through an operating transfer to set aside funds for future capital improvements.

NOTE 5 - SHORT-TERM NOTES PAYABLE

The District has no balance owed on its short-term notes payable at June 30, 2022. During the year, the District took out a \$4,500,000 line of credit at 3.25% to meet cash flow needs. The line of credit was dated October 12, 2021 and matured October 15, 2022. The District borrowed a total of \$3,650,000 and repaid \$3,650,000 during the year. Interest expense for the fiscal year on short-term borrowing was \$4,956.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 6 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balances at July 1, 2021	Additions and Adjustments	Deletions and Adjustments	Balances at June 30, 2022
Governmental Activities				
Not depreciated:				
Construction in process	\$ 52,660	\$ -	\$ 52,660	\$ -
Total	52,660	-	52,660	-
Depreciated:				
Site improvements	3,109,723	103,752	-	3,213,475
Buildings and building improvements	35,328,659	657,823	-	35,986,482
Furniture and equipment	19,104,775	2,729,799	361,865	21,472,709
Total captital assets	57,595,817	3,491,374	414,525	60,672,666
Less accumulated depreciation				
Site improvements	1,162,190	139,478	-	1,301,668
Buildings and building improvements	19,138,336	810,252	-	19,948,588
Furniture and equipment	10,889,305	1,710,032	271,507	12,327,830
Total accumulated depreciation	31,189,831	2,659,762	271,507	33,578,086
Governmental activities capital assets, net of accumulated depreciation	\$ 26,405,986	\$ 831,612	\$ 143,018	\$ 27,094,580
Business-Type Activities				
Building	\$ 65,747	\$ -	\$ -	\$ 65,747
Furniture and equipment	555,476	5,183	-	560,659
Totals	621,223	5,183	-	626,406
Less accumulated depreciation				
Building	43,086	3,514	-	46,600
Furniture and equipment	379,994	30,858	-	410,852
Totals	423,080	34,372	-	457,452
Business-type activities capital assets, net of accumulated depreciation	\$ 198,143	\$ (29,189)	\$ -	\$ 168,954

Depreciation expense was allocated to governmental activities based on functional expense totals as they relate to total functional expenses in the following categories:

Regular instruction	\$ 524,000
Vocational instruction	5,306
Special education instruction	4,890
Other instruction	26,556
Pupil services	1,991
Instructional staff services	472,997
School administration services	5,426
Business administration services	1,490,660
Central services	8,524
Other support services	119,412
	\$ 2,659,762

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 7 - RIGHT-OF-USE LEASED ASSETS

A. Right-of-Use Asset

The District has recorded right-of-use leased assets for its leased copiers and printers. The related leases are discussed in the leases footnote. The right-of-use assets are amortized on a straight-line basis over the terms of the related leases.

Right-of-use asset balances and activity for the year ended June 30, 2022 are as follows:

	Balances at July 1, 2021	Additions	Deletions	Balances at June 30, 2022
Governmental Activities				
Right-of-use assets				
Furniture and equipment	\$ 269,939	\$ -	\$ -	\$ 269,939
Total captial assets	269,939	-	-	269,939
Less accumulated amortization				
Furniture and equipment	53,988	53,988	-	107,976
Total accumulated amortization	53,988	53,988	-	107,976
Governmental activities right-of-use assets, net of accumulated amortization	\$ 215,951	\$ (53,988)	\$ -	\$ 161,963

Amortization expense was recorded as other support services in governmental activities.

B. Long-term Lease Payable

The District, as lessee, entered into lease agreements for copiers and printers. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The lease agreements were executed on July 1, 2020, to lease copy machines and printers and require monthly payments totaling \$5,001. The District is also charged a fee ranging from \$.005 to \$.0406 per copy. The lease liability is measured at a discount rate of 4.25%, which was the incremental borrowing rate at the inception of the leases. As a result of the lease, the District has recorded a right-of-use asset with a net book value of \$161,963 at June 30, 2022. The right-of-use asset is discussed above.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year ended June 30,	Principal	Interest	Total
2023	\$ 53,888	\$ 6,131	\$ 60,019
2024	56,224	3,795	60,019
2025	58,660	1,359	60,019
	\$ 168,772	\$ 11,285	\$ 180,057

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligations balances and activity for the year ended June 30, 2022 are as follows:

	(As Restated) Balances at July 1, 2021	Additions	Reductions and Adjustments	Balances at June 30, 2022
Governmental Activities				
Leases payable	\$ 220,422	\$ -	\$ 51,650	\$ 168,772
Vacation and sick payable	1,133,678	283,382	158,701	1,258,359
Post retirement health care & other benefits	<u>6,489,962</u>	<u>502,574</u>	<u>1,002,405</u>	<u>5,990,131</u>
Total governmental activity long-term obligations	7,844,062	785,956	1,212,756	7,417,262
Business-Type Activities				
Post retirement health care & other benefits	<u>213,495</u>	<u>20,876</u>	<u>41,702</u>	<u>192,669</u>
	<u>213,495</u>	<u>20,876</u>	<u>41,702</u>	<u>192,669</u>
Total long-term obligations	<u>\$ 8,057,557</u>	<u>\$ 806,832</u>	<u>\$ 1,254,458</u>	<u>\$ 7,609,931</u>

The current portion (due within one year) of the long-term obligations at June 30, 2022 consists of:

Leases payable \$ 53,888

Payments on bonds and notes are made by the Debt Service Fund, if applicable.

Total interest accrued and paid, including fiscal agent fees of \$0 for the year ended June 30, 2022 is as follows:

	Accrued	Paid
Short-term borrowing	\$ 4,956	\$ 4,956
Long-term obligations	<u>8,370</u>	<u>8,370</u>
Totals	<u>\$ 13,326</u>	<u>\$ 13,326</u>

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - 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
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 \$1,302,693 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

Employee Category	Employee	Employer
General (including teachers)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At June 30, 2022, the District reported a liability (asset) of (\$9,998,483) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the District's proportion was 0.12404783%, which was a decrease of 0.00137715% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(861,589).

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

At June 30, 2022, 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	\$ 16,152,045	\$ 1,164,737
Changes in assumptions	1,865,375	-
Net differences between projected and actual earnings on pension plan investments	-	22,367,439
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,499	8,970
Employer contributions subsequent to the measurement date	832,974	-
Total	\$ 18,855,893	\$ 23,541,146

\$832,974 reported as deferred outflows related to pensions 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (467,236)
2024	\$ (2,712,299)
2025	\$ (1,194,791)
2026	\$ (1,143,901)

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Actuarial assumptions. The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
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.

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

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Asset Allocation Targets and Expected Returns*
As of December 31, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return % **</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ***	115	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	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: 2.5%

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

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 7,094,632	\$ (9,998,483)	\$ (22,302,346)

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's payable to WRS as of June 30, 2022 was \$433,928, consisting of its monthly required contribution for the employer and employee withholdings for June 2022.

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. Health Care Benefits Post-Employment Benefits

Plan Description. The District administers a single-employer defined benefit healthcare plan. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plan. The plan covers both active and retired participants. As of the actuarial valuation date, there were 284 active participants and 39 retirees in the plan. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

A description of the single-employer benefit plan is detailed on the following pages.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A description of the single-employer benefit plan is as follows:

Group	Eligibility		Benefit Description								
	Age	Service									
Teachers hired prior to 7/1/07	55	15	Teachers who retired before July 1, 2009 received 100% of medical premium; frozen at rate at retirement for 10 years. The Medicare supplement rate is paid after age 65.								
	55 (1)	15 (1)	Teachers who retired after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at the rate at retirement.								
	55 (1)	15 (1)	Teachers who retired after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the teacher's continuous years of service, not to exceed 40 years, times the amount in the table below, paid in equal installments over 84 months.								
			<table border="0"> <tr> <td style="text-align: center;"><u>Retiring</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td style="text-align: center;">7/1/12-6/30/13</td> <td style="text-align: center;">\$4,000</td> </tr> <tr> <td style="text-align: center;">7/1/13-6/30/17</td> <td style="text-align: center;">\$3,000</td> </tr> <tr> <td style="text-align: center;">6/1/17 or later</td> <td style="text-align: center;">\$2,000</td> </tr> </table>	<u>Retiring</u>	<u>Amount</u>	7/1/12-6/30/13	\$4,000	7/1/13-6/30/17	\$3,000	6/1/17 or later	\$2,000
<u>Retiring</u>	<u>Amount</u>										
7/1/12-6/30/13	\$4,000										
7/1/13-6/30/17	\$3,000										
6/1/17 or later	\$2,000										
Teachers hired 7/1/07 - 6/30/12	55 (1)	15 (1)	The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee is vested after 5 years of continuous service. (This is a non-OPEB benefit.)								
Teachers hired 7/1/12 - 6/30/16	55 (1)	15 (1)	The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee must be 62 years old or have 5 years of continuous service with the District to be vested in the contributions. (This is a non-OPEB benefit.)								
Teachers hired 7/1/16 - current	55 (1)	15 (1)	The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The amount will be placed into a 403(b) account in July following the end of each school year in which the teacher is employed. The employee must be 62 years old or have 15 years of continuous service with the District to be vested in the contributions. (This is a non-OPEB benefit.)								
Administrators			Administrators hired on or before the 2004-2005 school year are eligible for: Option 1, 2, 3, 4, or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired after the 2004-2005 school year, but on or before July 1, 2010 are eligible for: Option 2, 3, 4 or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired on or after July 2, 2010 are eligible for: Option 3, 4 or 5. Effective July 1, 2018, these Administrators will be eligible for Options 4 or 5 only if they have not retired prior to that date. Administrators hired on or after June 30, 2017 are eligible for: Option 5								

Tomah Area School District
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Group	Eligibility		Benefit Description								
	Age	Service									
			<u>Options</u>								
Administrators	57	8	1) The retiree must be at least 57 years old at retirement. The District will pay the percent of premium as shown below for 8 years, based on the years of service at retirement								
			<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Years of Service</th> <th style="text-align: center;">Percent of Premium</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 to 14</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">15 to 20</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">More than 20</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	Years of Service	Percent of Premium	10 to 14	50%	15 to 20	75%	More than 20	100%
Years of Service	Percent of Premium										
10 to 14	50%										
15 to 20	75%										
More than 20	100%										
	55 (1)	15 (1)	2) Administrators selecting Option 2 may choose <u>one</u> of the two following options for post retirement benefits: a) The District will deposit into a HRA an amount equal to the administrator's continuous years of service, not to exceed 40 years of service, multiplied by \$4,000, to be paid in equal installments over 84 months. b) The District will deposit into a HRA an amount equal to 100% of the premium rate on June 30 of the year the Administrator's retirement will commence. The deposits will be made on a monthly basis and will cease after 84 months.								
	55 (1)	15 (1)	3) Administrators selecting Option 3 may choose <u>one</u> of the two following options for post-retirement benefits: a) The District will deposit into a HRA an amount equal to the administrator's continuous years of service, not to exceed 40 years of service, multiplied by \$4,000, to be paid in equal installments over 84 months b) The District will deposit into a HRA an amount equal to 80% of the premium rate on June 30 of the year the Administrator's retirement will commence. The deposits will be made on a monthly basis and will cease after 84 months.								
	55 (1)	12	4) The District will deposit an amount not to exceed \$120,000 into a HRA, to be distributed equally for 5 years. Accordingly, Administrators who elect to receive Option 4 shall have deposits made on their behalf at a rate of \$2000 per month for a period of 5 years. Deposits will commence within two months of the date of retirement. Deposits will cease at the end of the 5th year with the final payment or when both the Administrator and spouse are deceased, whichever occurs first.								
		15	5) The District will make an annual deposit of \$5,000 or an approved prorated amount into an HRA account selected by the District. Proration calculations and percentages of the total \$5,000 (100%) figure that are payable for any given school year of service shall be a function of the Administrator's FTE for that year (e.g. an Administrator with a .8 FTE shall be paid 80% for that year.) (No age retirement for this option. If the Administrator attains the age of 62 while employed with the District, the Administrator will become 100 percent vested in amounts that have been paid upon reaching age 62, even if they have not yet attained 15 years of continuous service in the District.)								

Tomah Area School District
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Group	Eligibility		Benefit Description
	Age	Service	
Non-Teaching Support Staff	55	15	Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days. Severance pay for each day of eligibility will be based on the average per day pay for the last 5 years. (This is a non-OPEB benefit.)
District Office Staff hired before 1/1/09	55	15	Office staff who retired before July 1, 2009 received 100% of monthly medical premium; frozen at rate at retirement; payable for 10 years. The Medicare supplement rate is paid after age 65.
	55 (1)	15 (1)	Office staff who retire on or after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years. b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at rate at retirement.
	55 (1)	15 (1)	For office staff who retire after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the employee's continuous years of service, not to exceed 40 years, times \$4,000, paid in equal installments over 84 months. The District will also deposit into the HRA account 50% of the accumulated value of unused sick leave (up to 60 days) at retirement.
District Office Staff hired 1/1/09 or later	55 (1)	15 (1)	The District will deposit \$1,500 per year into an investment account during the term of the office staff's employment with the District for a period not to exceed 25 years. See District agreements for further clarification regarding vesting period and account information. (This is a non-OPEB benefit.)

(1) Age plus service must be at least 75 or greater.

Account values are prorated for part-time Teachers and Administrators.

Surviving spouses are eligible to continue receiving benefits until the account values are exhausted.

Retirees are eligible to continue health insurance coverage once the account values are exhausted by paying 100% of the premiums.

Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days for retiring administrators and office staff.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

Funding Policy. The District has established a trust fund to finance the cost of its OPEB. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required by the Governmental Accounting Standards Board (GASB) in the District-wide statements. There is no obligation on the part of the District to fund these benefits in advance.

Net Other Post-Employment Benefit Liability. The net other post-employment benefit liability (NOL) was measured as of June 30, 2022 and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 20, 2022.

Actuarial Methods and Assumptions. The District engaged an actuary to perform a valuation as of June 30, 2021, rolled forward to June 30, 2022 using the entry age normal, level percent of pay actuarial cost method. The asset valuation method used was the market value and the amortization period used was 18 years, level dollar.

The total other post-employment benefit liability in the July 1, 2021 actuarial valuation and rolled forward to June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Amortization growth rate	4.00%
Discount rate	3.54%
General inflation	2.25%
Annual premium increase rate 2022+	5.50%

All of the demographic assumptions used (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are approximately the same as those used in the Wisconsin Retirement System Experience Study dated November 19, 2021.

Retirement rates were calculated based on age and years of service. The percent of future retirees assumed to elect medical coverage varies based on the level of District contributions. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled and those with family coverage before retirement are assumed to maintain family coverage in the future. There was an assumption of no impact of dependent children on the implicit subsidy.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

The discount rate used to measure the total other post-employment benefit liabilities was 3.54%, based on the current yield for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher and also the expected long-term yield on Trust assets.

Change in the Net Other Post-Employment Benefit Liability

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at the beginning of the year	\$ 5,807,205	\$ 755,252	\$ 5,051,953
Changes for the year:			
Service cost	234,288	-	234,288
Interest	119,603	-	119,603
Differences between expected and actual experience	-	-	-
Changes of assumptions or other input	(405,947)	-	(405,947)
Contributions - employer	-	619,988	(619,988)
Expected return on assets	-	11,886	(11,886)
Benefit payments	(539,988)	(539,988)	-
Administrative expense	-	-	-
Net changes	<u>(592,044)</u>	<u>91,886</u>	<u>(683,930)</u>
Balance at the end of the year	<u>\$ 5,215,161</u>	<u>\$ 847,138</u>	<u>\$ 4,368,023</u>

Sensitivity of Net Other Post-Employment Benefit Liability to changes in the discount and healthcare cost trend rates. The following represents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 3.54 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	1% Decrease to Discount Rate (2.54%)	Current Discount Rate (3.54%)	1% Increase To Discount Rate (4.54%)
Net OPEB liability	\$ 4,682,141	\$ 4,368,023	\$ 4,074,588

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the healthcare cost trend rate of 5.50 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current rate:

	1% Decrease (4.5)	Current (5.5%)	1% Increase (6.5%)
Net OPEB liability	\$ 4,399,622	\$ 4,368,023	\$ 4,394,412

Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits.

For the year ended June 30, 2022, the District recognized other post employments benefit expense of \$301,839.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to its other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 487,782	\$ 452,589
Changes of assumptions	527,076	1,017,960
Net differences between projected and actual earnings on OPEB plan investments	33,853	-
Total	\$ 1,048,711	\$ 1,470,549

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

A. Health Care Benefits Post-Employment Benefits - Continued

Year ended June 30:	Deferred Outflow (Inflows) of Resources
2023	\$ (21,846)
2024	\$ (25,954)
2025	\$ (28,856)
2026	\$ (31,951)
2027	\$ (35,615)
Thereafter	\$ (277,616)

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

Summary of Significant Accounting Policies

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, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's 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.

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>.

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

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

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

Contribution rates as of June 30, 2022 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, 2021 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2021

Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$6,284 in contributions from the employer.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

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

At June 30, 2022, the District reported a liability of \$1,814,777 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the District's proportion was 0.30705000%, which was an increase of 0.006816% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022 the District recognized OPEB expense of \$234,111.

At June 30, 2022, 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	\$ -	\$ 92,318
Net differences between projected and actual earnings on OPEB plan investments	23,611	-
Changes in assumptions	548,307	87,963
Changes in proportion and differences between employer contributions and proportionate share of contributions	78,624	20,820
Employer contributions subsequent to the measurement date	3,113	-
Total	\$ 653,655	\$ 201,101

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

\$3,113 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, 2023. Other amounts reported as net deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Net Deferred Outflow (Inflows) of Resources
2023	\$ 97,485
2024	94,746
2025	89,673
2026	113,805
2027	49,835
Thereafter	3,897

Actuarial assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018-December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

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.

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00%	1.82%
US Mortgages	Bloomberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Single Discount rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 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 (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

B. Local Retiree Life Insurance Fund (LRLIF) Post-Employment Benefits

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase To Discount Rate (3.17%)
District's proportionate share of the net OPEB liability	\$ 2,462,001	\$ 1,814,777	\$ 1,327,771

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the OPEB plan

District had no payables to the defined benefit OPEB plan as of June 30, 2022.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 11 - FUND BALANCES AND NET POSITION

Net position

At June 30, 2022, food service net position of \$168,954 was invested in capital assets, and \$533,381 was unrestricted.

At June 30, 2022, the Governmental Activities has a net investment in capital assets of \$26,405,986. Restricted net assets are \$9,171,725, consisting of \$51,095 restricted for the Get Kids Ahead program, \$5,153,834 restricted for the Wisconsin Retirement System Pension Plan, \$742,109 restricted for unspent donations, scholarships and student organizations, \$3,134,471 restricted for capital improvements, and \$90,216 restricted for debt service.

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's 2022 financial statements and had an effect on the beginning net position of the Governmental Activities.

The implementation of GASB Statement No. 87 had the following effect on net position as reported July 1, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total District</u>
Balance at beginning of year	\$ 31,095,186	\$ 300,996	\$ 31,396,182
Right-of-use asset, less accumulated amortization	215,951	-	215,951
Lease liability	(220,422)	-	(220,422)
	<u>(4,471)</u>	<u>-</u>	<u>(4,471)</u>
Balance at beginning of year - as restated	\$ <u>31,090,715</u>	\$ <u>300,996</u>	\$ <u>31,391,711</u>

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2022

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District insures through commercial insurance companies for all risks of loss, except for health and dental care. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 - LIMITATION ON SCHOOL DISTRICT REVENUES

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POST-EMPLOYMENT BENEFIT PLANS - HEALTH CARE
Year ended June 30, 2022

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution deficiency (excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
6/30/2017	\$ 831,710	\$ 1,431,036	\$ (599,326)	\$ 19,677,102	7.27%
6/30/2018	\$ 835,222	\$ 1,307,947	\$ (472,725)	\$ 19,595,756	6.67%
6/30/2019	\$ 667,794	\$ 944,598	\$ (276,804)	\$ 20,478,290	4.61%
6/30/2020	\$ 661,868	\$ 593,385	\$ 68,483	\$ 21,470,339	2.76%
6/30/2021	\$ 564,882	\$ 581,855	\$ (16,973)	\$ 22,539,903	2.58%
6/30/2022	\$ 536,713	\$ 623,085	\$ (86,372)	\$ 22,990,701	2.71%

Assumptions in Computation of ARC:

	Actuarial Cost Method	Asset Valuation Method	Amortization Years for Level Dollar Method	Discount Rate	Asset Earnings Rate
6/30/2017	Entry Age Normal	Market Value	22	2.85%	2.85%
6/30/2018	Entry Age Normal	Market Value	21	2.85%	2.85%
6/30/2019	Entry Age Normal	Market Value	20	4.00%	4.00%
6/30/2020	Entry Age Normal	Market Value	19	4.00%	4.00%
6/30/2021	Entry Age Normal	Market Value	18	2.20%	2.20%
6/30/2022	Entry Age Normal	Market Value	17	3.54%	4.00%

* Amounts presented for the fiscal year were determined as of the measurement date.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS - HEALTH CARE
Year ended June 30, 2022

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 342,723	\$ 346,139	\$ 207,328	\$ 201,630	\$ 196,168	\$ 234,288
Interest	249,137	237,160	270,180	255,796	231,430	119,603
Changes in benefit terms	-	-	-	-	(259,621)	-
Differences between expected and actual experience	-	-	650,374	-	(527,897)	-
Changes of assumptions or other input	-	-	(854,733)	-	614,776	(405,947)
Benefit payments	(1,541,921)	(1,280,633)	(899,598)	(563,385)	(466,780)	(539,988)
Net change in total OPEB liability	(950,061)	(697,334)	(626,449)	(105,959)	(211,924)	(592,044)
Total OPEB liability - beginning of the year	8,398,932	7,448,871	6,751,537	6,125,088	6,019,129	5,807,205
Total OPEB liability - ending (a)	<u>\$ 7,448,871</u>	<u>\$ 6,751,537</u>	<u>\$ 6,125,088</u>	<u>\$ 6,019,129</u>	<u>\$ 5,807,205</u>	<u>\$ 5,215,161</u>
Fiduciary net position						
Contributions	\$ 1,456,449	\$ 1,307,947	\$ 944,598	\$ 593,385	\$ 506,777	\$ 619,988
Net investment income	10,848	8,052	9,351	11,917	12,624	11,886
Benefit payments	(1,541,921)	(1,280,633)	(899,598)	(563,385)	(466,780)	(539,988)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	(74,624)	35,366	54,351	41,917	52,621	91,886
Fiduciary net position - beginning of the year	645,621	570,997	606,363	660,714	702,631	755,252
Fiduciary net position - ending (b)	<u>\$ 570,997</u>	<u>\$ 606,363</u>	<u>\$ 660,714</u>	<u>\$ 702,631</u>	<u>\$ 755,252</u>	<u>\$ 847,138</u>
Net OPEB liability - end of the year (a) - (b)	<u>\$ 6,877,874</u>	<u>\$ 6,145,174</u>	<u>\$ 5,464,374</u>	<u>\$ 5,316,498</u>	<u>\$ 5,051,953</u>	<u>\$ 4,368,023</u>
Fiduciary net position as a percentage of the total OPEB liability	7.67%	8.98%	10.79%	11.67%	13.01%	16.24%
Covered payroll	\$ 19,677,102	\$ 19,595,756	\$ 20,478,290	\$ 21,470,339	\$ 22,539,903	\$ 22,990,701
Net OPEB liability as a percentage of covered payroll	34.95%	31.36%	26.68%	24.76%	22.41%	19.00%
Annual weighted money-weighted rate of return net of investment expenses	1.68%	1.41%	1.57%	1.79%	1.79%	1.52%

* Amounts presented for the fiscal year were determined as of the measurement date.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
Year ended June 30, 2022

	2018	2019	2020	2021	2022
District's proportion of the net OPEB liability (asset)	0.27399300%	0.27097700%	0.29113300%	0.30023400%	0.30705000%
District's share of the net pension liability (asset)	\$ 824,330	\$ 699,212	\$ 1,239,701	\$ 1,651,504	\$ 1,814,777
District's covered-employee payroll	\$ 11,522,189	\$ 15,260,000	\$ 16,226,000	\$ 16,410,000	\$ 16,947,000
District's collective net OPEB liability as a percentage of the employer's covered-employee payroll	7.15%	4.58%	7.64%	10.06%	10.71%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%	37.58%	31.36%	29.57%

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

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
Year ended June 30, 2022

	2018	2019	2020	2021	2022
Contractually required contributions	\$ 5,203	\$ 5,220	\$ 5,263	\$ 5,986	\$ 6,284
Contributions in relation to the contractually required contributions	\$ 5,203	\$ 5,220	\$ 5,263	\$ 5,986	\$ 6,284
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,522,189	\$ 15,260,000	\$ 16,226,000	\$ 16,410,000	\$ 16,947,000
Contributions as a percentage of covered-employee payroll	0.045%	0.034%	0.032%	0.036%	0.037%

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

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
Year ended June 30, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability (asset)	0.12748006%	0.12491617%	0.12491617%	0.12210599%	0.12226334%	0.12311199%	0.12267068%	0.12404783%
District's share of the net pension liability (asset)	\$ (3,131,259)	\$ 2,029,864	\$ 1,010,022	\$ (3,625,471)	\$ 4,349,746	\$ (3,969,692)	\$ (7,658,500)	\$ (9,998,483)
District's covered payroll	\$ 17,880,425	\$ 17,234,266	\$ 17,588,230	\$ 18,307,951	\$ 18,727,602	\$ 19,888,455	\$ 20,371,484	\$ 21,717,102
District's collective net pension liability (assets) as a percentage of the District's covered payroll	-17.51%	11.78%	5.74%	-19.80%	23.23%	-19.96%	-37.59%	-46.04%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%

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

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
Year ended June 30, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 1,251,630	\$ 1,171,930	\$ 1,160,823	\$ 1,244,940	\$ 1,254,749	\$ 1,302,693	\$ 1,375,075	\$ 1,465,905
Contributions in relation to the contractually required contributions	\$ 1,251,630	\$ 1,171,930	\$ 1,160,823	\$ 1,244,940	\$ 1,254,749	\$ 1,302,693	\$ 1,375,075	\$ 1,465,905
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 17,880,425	\$ 17,234,266	\$ 17,588,230	\$ 18,307,951	\$ 18,727,602	\$ 19,888,455	\$ 20,371,484	\$ 21,717,102
Contributions as a percentage of covered payroll	7.00%	6.80%	6.60%	6.80%	6.70%	6.55%	6.75%	6.75%

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

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will present those years for which information is available.

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - FUNDS 10 AND 27
Year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 13,100,883	\$ 12,949,113	\$ 12,949,113	\$ -
Other local sources	137,820	189,233	189,233	-
Interdistrict sources	909,477	813,645	813,644	(1)
Intermediate sources	9,152	36,036	36,036	-
State sources	24,217,459	25,027,289	25,233,913	206,624
Federal sources	3,056,982	5,635,333	5,740,437	105,104
Other sources	152,525	594,259	594,259	-
Total revenues	<u>41,584,298</u>	<u>45,244,908</u>	<u>45,556,635</u>	<u>311,727</u>
Expenditures				
Instruction				
Regular instruction	16,143,257	15,713,773	15,713,773	-
Vocational instruction	988,031	1,001,583	1,001,583	-
Special instruction	5,184,933	4,970,153	5,060,297	(90,144)
Other instruction	1,508,938	1,475,057	1,475,136	(79)
Total instruction	<u>23,825,159</u>	<u>23,160,566</u>	<u>23,250,789</u>	<u>(90,223)</u>
Support services				
Pupil services	1,537,872	1,462,289	1,473,134	(10,845)
Instructional staff services	2,146,760	3,347,396	3,346,095	1,301
General administration services	451,226	479,070	479,070	-
Building administration services	1,789,128	1,826,265	1,826,265	-
Business administration services	8,025,934	8,365,125	8,385,370	(20,245)
Central services	120,500	163,657	163,748	(91)
Insurance	352,759	407,544	407,544	-
Principal and interest	15,000	4,956	64,976	(60,020)
Other support services	1,285,115	1,088,917	1,028,897	60,020
Total support services	<u>15,724,294</u>	<u>17,145,219</u>	<u>17,175,099</u>	<u>(29,880)</u>
Non-program services	<u>2,040,845</u>	<u>2,122,772</u>	<u>2,162,218</u>	<u>(39,446)</u>
Total expenditures	<u>41,590,298</u>	<u>42,428,557</u>	<u>42,588,106</u>	<u>(159,549)</u>
Excess (deficiency) of revenues over expenditures	(6,000)	2,816,351	2,968,529	152,178
Other financing sources (uses)				
Proceeds from sale of fixed assets	6,000	40,200	40,200	-
Transfer from (to) other funds	-	(864,111)	(1,000,000)	(135,889)
	<u>6,000</u>	<u>(823,911)</u>	<u>(959,800)</u>	<u>(135,889)</u>
Net change in fund balance	-	1,992,440	2,008,729	16,289
Fund balance at July 1, 2021	<u>6,021,384</u>	<u>6,021,384</u>	<u>6,021,384</u>	<u>-</u>
Fund balance at June 30, 2022	<u>\$ 6,021,384</u>	<u>\$ 8,013,824</u>	<u>\$ 8,030,113</u>	<u>\$ 16,289</u>

Tomah Area School District
RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - REGULATORY BASIS TO GAAP BASIS
GENERAL FUND AND SPECIAL EDUCATION FUND
Year ended June 30, 2022

	General Fund - Fund 10			Special Education Fund - Fund 27			Combined Fund 10 and 27		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final		Original	Final		Original	Final	
Revenues									
Property taxes	\$ 13,100,883	\$ 12,949,113	\$ 12,949,113	\$ -	\$ -	\$ -	\$ 13,100,883	\$ 12,949,113	\$ 12,949,113
Other local sources	137,820	189,233	189,233	-	-	-	137,820	189,233	189,233
Interdistrict sources	909,477	813,645	813,644	-	-	-	909,477	813,645	813,644
Intermediate sources	6,152	36,036	36,036	3,000	-	-	9,152	36,036	36,036
State sources	22,895,326	23,619,044	23,635,333	1,322,133	1,408,245	1,598,580	24,217,459	25,027,289	25,233,913
Federal sources	2,094,468	4,531,369	4,531,369	962,514	1,103,964	1,209,068	3,056,982	5,635,333	5,740,437
Other sources	152,525	594,259	594,259	-	-	-	152,525	594,259	594,259
Total revenues	39,296,651	42,732,699	42,748,987	2,287,647	2,512,209	2,807,648	41,584,298	45,244,908	45,556,635
Expenditures									
Instruction									
Regular instruction	16,143,257	15,713,773	15,713,773	-	-	-	16,143,257	15,713,773	15,713,773
Vocational instruction	988,031	1,001,583	1,001,583	-	-	-	988,031	1,001,583	1,001,583
Special instruction	-	-	-	5,184,933	4,970,153	5,060,297	5,184,933	4,970,153	5,060,297
Other instruction	1,496,204	1,465,809	1,465,810	12,734	9,248	9,326	1,508,938	1,475,057	1,475,136
Total instruction	18,627,492	18,181,165	18,181,166	5,197,667	4,979,401	5,069,623	23,825,159	23,160,566	23,250,789
Support services									
Pupil services	951,588	1,022,341	1,000,236	586,284	439,948	472,898	1,537,872	1,462,289	1,473,134
Instructional staff services	1,786,275	3,021,019	3,021,019	360,485	326,377	325,076	2,146,760	3,347,396	3,346,095
General administration services	451,226	479,070	479,070	-	-	-	451,226	479,070	479,070
Building administration services	1,789,128	1,826,265	1,826,265	-	-	-	1,789,128	1,826,265	1,826,265
Business administration services	7,712,501	8,048,133	8,048,132	313,433	316,992	337,238	8,025,934	8,365,125	8,385,370
Central services	105,500	148,294	148,294	15,000	15,363	15,454	120,500	163,657	163,748
Insurance	352,759	406,244	406,244	-	1,300	1,300	352,759	407,544	407,544
Principal and interest	15,000	4,956	64,976	-	-	-	15,000	4,956	64,976
Other support services	1,285,115	1,088,917	1,028,897	-	-	-	1,285,115	1,088,917	1,028,897
Total support services	14,449,092	16,045,239	16,023,133	1,275,202	1,099,980	1,151,966	15,724,294	17,145,219	17,175,099
Non-program services	1,659,092	1,676,630	1,676,630	381,753	446,142	485,588	2,040,845	2,122,772	2,162,218
Total expenditures	34,735,676	35,903,034	35,880,929	6,854,622	6,525,523	6,707,177	41,590,298	42,428,557	42,588,106
Excess of revenues over (under) expenditures	4,560,975	6,829,665	6,868,058	(4,566,975)	(4,013,314)	(3,899,529)	(6,000)	2,816,351	2,968,529
Other financing sources (uses)									
Proceeds from sale of fixed assets	6,000	40,200	40,200	-	-	-	6,000	40,200	40,200
Transfer from (to) other funds	(4,566,975)	(4,877,425)	(4,899,529)	4,566,975	4,013,314	3,899,529	-	(864,111)	(1,000,000)
	(4,560,975)	(4,837,225)	(4,859,329)	4,566,975	4,013,314	3,899,529	6,000	(823,911)	(959,800)
Net change in fund balance	-	1,992,440	2,008,729	-	-	-	-	1,992,440	2,008,729
Fund balance at July 1, 2021	6,021,384	6,021,384	6,021,384	-	-	-	6,021,384	6,021,384	6,021,384
Fund balance at June 30, 2022	\$ 6,021,384	\$ 8,013,824	\$ 8,030,113	\$ -	\$ -	\$ -	\$ 6,021,384	\$ 8,013,824	\$ 8,030,113

Tomah Area School District
**RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
BUDGET AND ACTUAL
SPECIAL REVENUE TRUST FUND - FUND 21
Year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Other local sources	\$ -	\$ 441,100	\$ 441,104	\$ 4
Total revenues	-	441,100	441,104	4
Expenditures				
Instruction				
Regular instruction	-	7,619	7,619	-
Other instruction	-	352,330	352,330	-
Total instruction	-	359,949	359,949	-
Support services				
Pupil services	-	2,900	2,900	-
Instructional staff services	-	16,760	16,760	-
Building administration services	-	814	814	-
Business administration services	-	9,636	9,636	-
Central services	-	424	424	-
Total support services	-	30,534	30,534	-
Non-program services	-	58,725	58,725	-
Total expenditures	-	449,208	449,208	-
Net change in fund balance	-	(8,108)	(8,104)	4
Fund balance at July 1, 2021	750,213	750,213	750,213	-
Fund balance at June 30, 2022	\$ 750,213	\$ 742,105	\$ 742,109	\$ 4

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT TRUST FUND - FUND 46
Year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Other local sources	\$ -	\$ -	\$ 2,524	\$ 2,524
Total revenues	-	-	2,524	2,524
Other financing sources				
Transfer from other funds	-	-	1,000,000	1,000,000
Net change in fund balance	-	-	1,002,524	1,002,524
Fund balance at July 1, 2021	<u>2,131,947</u>	<u>2,131,947</u>	<u>2,131,947</u>	<u>-</u>
Fund balance at June 30, 2022	<u>\$ 2,131,947</u>	<u>\$ 2,131,947</u>	<u>\$ 3,134,471</u>	<u>\$ 1,002,524</u>

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2022

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted each fiscal year for all funds in accordance with 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 two-digit sub-function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- A. Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- B. The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- C. 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.
- D. Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- E. Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- F. Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.

NOTE 2 - BASIS OF ACCOUNTING

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the financial statements. There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes, the special education fund was budgeted separate from the general fund, but for GAAP, the two are combined.

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
Year ended June 30, 2022

NOTE 3 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The District had the following functions with excess of actual expenditures over budget for the year ended June 30, 2022:

General Fund	
Special instruction	\$ 90,144
Other instruction	79
Pupil services	10,845
Business administration services	20,245
Central services	91
Principal and interest	60,020
Non-program services	39,446
Transfers to other funds	135,889

NOTE 4 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO LRIF OPEB LIABILITIES

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables in Note 10, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

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

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

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

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

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
Year ended June 30, 2022

NOTE 5 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO NET PENSION LIABILITIES (ASSETS) - WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions:

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

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

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

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

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2022

NOTE 5 – CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION LIABILITIES (ASSETS) – CONTINUED

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

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

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

Tomah Area School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2022

NOTE 5 – CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION LIABILITIES (ASSETS) – CONTINUED

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

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

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

OTHER SUPPLEMENTARY INFORMATION

Tomah Area School District
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	Fund Number:	(39)	<u>Special Revenue Fund</u>	
			<u>Indian Education Fund</u>	<u>Total</u>
Assets				
Cash and investments		\$ 90,216	\$ -	\$ 90,216
Total assets		<u>\$ 90,216</u>	<u>\$ -</u>	<u>\$ 90,216</u>
Liabilities and fund balances				
Liabilities				
Due to other funds		\$ -	\$ -	\$ -
Total liabilities		<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted		<u>90,216</u>	<u>-</u>	<u>90,216</u>
Total liabilities and fund balances		<u>\$ 90,216</u>	<u>\$ -</u>	<u>\$ 90,216</u>

Tomah Area School District
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**
Year ended June 30, 2022

Fund Number:	(39)	<u>Special Revenue Fund</u>	(29)	<u>Total</u>
	<u>Debt Service Fund</u>	<u>Indian Education Fund</u>		
Revenues				
Other local sources	\$ 315	\$ -	\$	315
Federal sources	<u>-</u>	<u>31,765</u>		<u>31,765</u>
Total revenues	315	31,765		32,080
Expenditures				
Support services				
Pupil services	<u>-</u>	<u>31,765</u>		<u>31,765</u>
Total expenditures	<u>-</u>	<u>31,765</u>		<u>31,765</u>
Net change in fund balance	315	-		315
Fund balance at July 1, 2021	<u>89,901</u>	<u>-</u>		<u>89,901</u>
Fund balance at June 30, 2022	<u>\$ 90,216</u>	<u>\$ -</u>	\$	<u>90,216</u>

Tomah Area School District
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
Year ended June 30, 2022

Employee salaries	\$	-
Employee benefits		-
Purchased services		-
Non-capital objects		-
Capital objects		-
Insurance		-
		<hr/>
	\$	<hr/> <hr/>

There are no current year charter school authorizer operating costs.

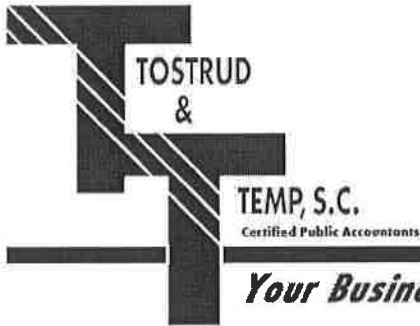
Tomah Area School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

	Federal Catalog Number	Program or Award Number	Program or Award Amount	Receivable at July 1, 2021	Expenditures	Revenues Grantor	Receivable at June 30, 2022	Footnote
United States Department of Agriculture								
Passed through Wisconsin Department of Public Instruction								
Food Distribution	10.555							
July 1, 2021 to June 30, 2022		UNKNOWN	N/A	\$ -	\$ 125,853	\$ 125,853	\$ -	3
School Breakfast Program	10.553							
July 1, 2021 to June 30, 2022		2022-415747-DPI-SB-546	N/A	-	272,533	269,746	2,787	
National School Lunch Program	10.555							
July 1, 2021 to June 30, 2022		2022-415747-DPI-NSL-547	N/A	-	1,399,893	1,386,917	12,976	
Summer Food Service Program	10.559							
July 1, 2020 to June 30, 2021			N/A	72,619	-	72,619	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-SFSP-561	N/A	-	72,615	52,354	20,261	
Subtotal Child Nutrition Cluster				72,619	1,870,894	1,907,489	36,024	
Fresh Fruits and Vegetables	10.582							
October 1, 2020 to June 30, 2021			N/A	2,878	-	2,878	-	
				2,878	-	2,878	-	
				75,497	1,870,894	1,910,367	36,024	
Total United States Department of Agriculture								
United States Department of Education								
Passed through Wisconsin Department of Public Instruction								
Title 1 Basic Grant	84.010A							
July 1, 2020 to June 30, 2021			N/A	124,077	-	124,077	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-TIA-141	\$ 741,774	-	690,506	485,294	205,212	
Carl Perkins Vocational Education	84.048							
July 1, 2020 to June 30, 2021			N/A	4,118	-	4,118	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-CTE-400	\$ 33,127	-	33,127	23,489	9,638	
Special Education (IDEA) Cluster								
PL 94-142 Idea Flow-Through	84.027A							
July 1, 2020 to June 30, 2021			N/A	244,322	-	244,322	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-FLOW-341	\$ 1,000,193	-	741,032	536,856	204,176	
PL 99-457 Pre-School Entitlement	84.173A							
July 1, 2020 to June 30, 2021			N/A	11,089	-	11,089	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-PRESCH-347	\$ 33,036	-	26,698	24,061	2,637	
Subtotal Special Education (IDEA) Cluster				255,411	767,730	816,328	206,813	
Title IIA Teacher and Principal Training	84.367A							
July 1, 2020 to June 30, 2021			N/A	43,474	-	43,474	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-TIIA-365	\$ 133,828	-	109,927	67,227	42,700	
Title IVA Student Support and Academic Enrichment	84.424A							
July 1, 2020 to June 30, 2021			N/A	2,535	-	2,535	-	
July 1, 2021 to June 30, 2022		2022-415747-DPI-TIVA-381	\$ 58,678	-	34,737	31,456	3,281	
Elementary and Secondary School Emergency Relief Fund-COVID-19	84.425D							
March 13, 2020 to September 30, 2022		2021-415747-DPI-ESSERF-160	\$ 510,940	102,690	1,592	104,282	-	
Elementary and Secondary School Emergency Relief Fund II-COVID-19	84.425D							
March 13, 2020 to September 30, 2023		2022-415747-DPI-ESSERFII-163	\$ 1,104,980	274,196	1,363,364	1,387,681	249,879	
Elementary and Secondary School Emergency Relief Fund III-COVID-19	84.425U							
March 13, 2020 to September 30, 2024		2022-415747-DPI-ESSERFIII-165	\$ 1,588,384	-	1,543,946	366,376	1,177,570	
Governor's Emergency Relief Fund-COVID-19	84.425C							
July 1, 2020 to September 30, 2022		2021-415747-DPI-GEERF-162	\$ 454,493	217,006	6,905	223,414	497	
ARPA Homeless Children and Youth-COVID-19	84.425C							
July 1, 2020 to September 30, 2022		2022-415747-DPI-ARPHCYII-173	\$ 18,039	-	2,125	-	2,125	
				593,892	2,917,932	2,081,753	1,430,071	
				1,023,507	4,553,959	3,679,751	1,897,715	
Total passed through Wisconsin Department of Public Instruction								

Tomah Area School District
SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year ended June 30, 2022

	I.D. Number	Program or Award Amount	Receivable at July 1, 2021	Expenditures	Revenue State Reimbursements	Receivable at June 30, 2022
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT						
Cost Reimbursement Programs - Non-major						
Passed through CESA #4						
Youth Apprenticeship	445.107					
July 1, 2021 to June 30, 2022		\$ 35,770	\$ -	\$ 35,770	\$ 35,770	\$ -
WISCONSIN DEPARTMENT OF HEALTH SERVICES						
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
Cost Reimbursement Programs - Non-major						
Passed through Wisconsin Department of Public Instruction						
Educator Effectiveness Grant	255.940					
July 1, 2021 to June 30, 2022		\$ 23,760	-	23,920	23,920	-
Assessment of Reading Readiness	255.956					
July 1, 2021 to June 30, 2022		\$ 5,740	-	5,740	5,740	-
Total direct			-	29,660	29,660	-
Passed through Black River Falls School District						
American Indian Language Revitalization	255.364					
July 1, 2021 to June 30, 2022		\$ 382	\$ -	\$ 382	\$ 382	\$ -
Total Department of Public Instruction			-	30,042	30,042	-
			-	65,812	65,812	-
Entitlement Programs						
Major State Programs						
General Equalization	255.201			\$ 20,367,983		
Handicapped Pupils and School Age Parents:						
Internal District Programs	255.101		\$ 5,706,098	1,569,887		
Total major programs				21,937,870		
Non-major State Programs						
High Cost Transportation Aid	255.947			374,115		
Special Education Transition	255.960			28,693		
State School Lunch Aid	255.102			724		
Common School Fund	255.103			151,567		
Pupil Transportation	255.107			153,171		
School Mental Health Programs	255.227			16,290		
Per Pupil Adjustment Aid	255.945			2,305,394		
School Breakfast Program	255.344			348		
Early College Credit	255.445			474		
Total non-major programs				3,030,776		
Total State Assistance				\$ 25,034,458		

OTHER REPORTS



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

Board of Education
Tomah Area School District
Tomah, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Tomah Area School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2022.

Internal Control Over Financial Reporting

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

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

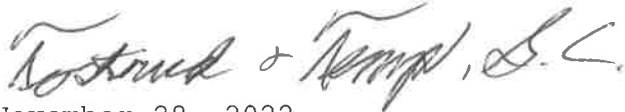
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

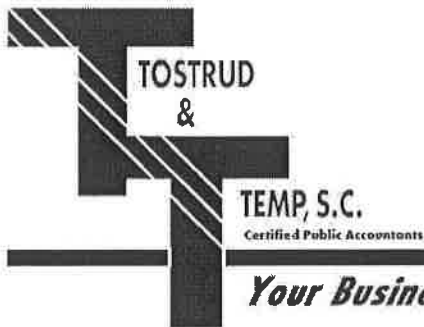
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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



November 28, 2022



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Your Business Safety Net

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND
WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Education
Tomah Area School District
Tomah, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Tomah Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Wisconsin State Single Audit Guidelines* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tomah Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

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

We are required to be independent of Tomah Area School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and *Wisconsin 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and *Wisconsin State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and *Wisconsin State Single Audit Guidelines*.

Report on Internal Control over Compliance

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

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

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

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



November 28, 2022

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

Noncompliance material to the financial statements? yes no

Federal Awards

Internal control over compliance:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster

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

Auditee qualified as a low-risk auditee? yes no

State Awards

Internal control over financial reporting:
 Material weakness identified? yes no
 Significant deficiency (ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? yes no

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended June 30, 2022

Section I - Summary of Auditor's Results - Continued

Identification of major state programs:

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

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior Year Findings

None