

PULASKI COMMUNITY SCHOOL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



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**PULASKI COMMUNITY SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Education
Pulaski Community School District
Pulaski, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

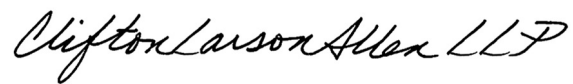
Report on Summarized Comparative Information

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Education
Pulaski Community School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2023

This discussion and analysis of Pulaski Community School District's (District) financial information provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

1. The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$46,010,833 (*net position*). Of this amount \$31,423,226 is the net investment in capital assets; \$543,640 is restricted for donor intentions; \$1,919,513 is restricted for long-term capital improvement; \$87,807 is restricted for capital expansion; \$1,660,464 is restricted for food service; \$345,124 is restricted for Capital Projects; and \$191,229 is restricted for community service. This results in net unrestricted position of \$9,839,760.
2. Net position on the district-wide financial statements for the most recent fiscal year decreased by \$2,569,384.
3. As of June 30, 2023, the District's governmental funds reported ending fund balances of \$83,362,641, an increase of \$67,789,716 in comparison with the prior year.
4. At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,322,099.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other required supplementary and supplementary information to the basic financial statements is provided, which is intended to give the reader additional detail in support of the basic financial statements.

District-wide financial statements

5. The district-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*.
6. The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported as *net position*. This statement reports all of the District's assets (cash and noncash), deferred outflows of resources and its known liabilities, both current and long-term and deferred inflows of resources. The purpose of this statement is to give the reader an understanding of the District's net worth. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, before such a determination can be made, other financial and nonfinancial factors need to be considered, such as changes in the District's property tax base, its state and federal aid, and the condition of its capital assets.
7. The *statement of activities* presents information showing how the District's net position changed during the year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the District's activities is being supported. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for all items that are known, even though they may not affect the actual cash flow of the District until a future year (e.g., uncollected taxes, earned but unused vacation, and other post-employment benefit obligations). This method of accounting is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the District's fund financial statements. The intent of the district-wide financial statements is to give the reader a long-term view of the District's financial condition.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Fund financial statements

8. The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements.
9. There are two governmental fund financial statements, the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* (operating statement). Generally, fund statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance. Such information may be useful in assessing a government's near-term financing requirements. These statements are located on pages 18 through 21.
10. Since the focus of fund financial statements is narrower than that of the district-wide statements it is useful to make comparisons between the information presented. This helps readers better understand the long-term implication of the District's near-term financing decisions. A reconciliation to facilitate the comparison of the statement of net position to the governmental funds balance sheet is presented on page 19. A separate schedule to reconcile the statement of activities to the governmental funds operating statement is presented on page 21.
11. The District has two kinds of funds: *governmental* and *fiduciary*. *Governmental funds* include the District's eight regular funds (general, debt service, donations, Indian education, capital projects, food service, community service and the cooperative program). The District has one *fiduciary* fund, a private-purpose trust for scholarship funds.
12. Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general and debt service as these are considered to be major funds. The other governmental funds are considered nonmajor funds. The financial information for these funds is combined and reported in the aggregate as "other governmental funds". Individual fund data for each of the nonmajor funds is in the combining statements, which can be found in the supplementary information section.
13. The District serves as a trustee, or *fiduciary*, for student scholarships. The assets of these scholarships do not directly benefit nor are under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations. Fiduciary fund statements are presented on pages 22 and 23.

Notes to the financial statements

The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found beginning on page 24.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget, pension plan, other post-employment benefits and supplemental pension plan. The District adopts an annual appropriation budget for its general fund. This *required supplementary information* can be found immediately following the notes beginning on page 57.

This report also contains *supplementary information*. This includes combining statements for the nonmajor governmental funds. The supplementary information can be found beginning on page 67.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2023

FINANCIAL ANALYSIS

District-Wide Financial Statements: The District as a Whole

	<u>2023</u>	<u>2022</u>
ASSETS		
Assets, Less Capital Assets	\$ 89,844,672	\$ 33,682,162
Capital Assets, Net	<u>40,428,030</u>	<u>39,935,154</u>
Total Assets	130,272,702	73,617,316
DEFERRED OUTFLOWS OF RESOURCES	29,481,150	23,793,035
LIABILITIES		
Liabilities, Less Long-term Obligations	8,162,004	5,564,072
Long-term Obligations	<u>88,415,517</u>	<u>14,073,260</u>
Total Liabilities	96,577,521	19,637,332
DEFERRED INFLOWS OF RESOURCES	17,165,498	29,192,802
NET POSITION		
Net Investment in Capital Assets	31,423,226	30,382,756
Restricted	4,747,847	16,929,376
Unrestricted	<u>9,839,760</u>	<u>1,268,085</u>
Total Net Position	<u>\$ 46,010,833</u>	<u>\$ 48,580,217</u>

As indicated by the schedule above, total net position is \$46,010,833 at June 30, 2023. Net position can be separated into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets is a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets is \$87,863,886 at June 30, 2023, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with generally accepted accounting principles, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$47,435,856 at June 30, 2023. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position is restricted and represents resources that are subject to external restrictions on how they may be used. Restricted net position consists of:

Restricted Net Position	
Donations	\$ 543,640
Community Service	191,299
Food Service	1,660,464
Long-Term Capital Improvement	1,919,513
Capital Expansion	87,807
Capital Projects	<u>345,124</u>
	<u>\$ 4,747,847</u>

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

District-Wide Financial Statements: The District as a Whole

	<u>2023</u>	Percent of Total	<u>2022</u>	Percent of Total
Program Revenues				
Charges for Services	\$ 5,112,527	8.5%	\$ 3,787,065	6.8%
Operating Grants	<u>7,373,989</u>	12.2%	<u>7,861,665</u>	14.0%
Total Program Revenues	12,486,516	20.7%	11,648,730	20.8%
General Revenues				
Property Taxes Levied for:				
General	10,938,903	18.2%	11,411,535	20.4%
Debt Service	3,460,264	5.7%	1,574,073	2.8%
Capital Projects	265,000	0.4%	265,000	0.5%
Community Services	627,858	1.0%	597,960	1.1%
State and Federal General Aids	30,935,063	51.3%	30,275,537	54.0%
Other	<u>1,549,091</u>	2.6%	<u>256,230</u>	0.5%
Total General Revenues	<u>47,776,179</u>	79.3%	<u>44,380,335</u>	79.2%
Total Revenues	60,262,695	100.0%	56,029,065	100.0%
Expenses				
Instruction	30,029,421	47.8%	25,731,560	49.7%
Support Services	20,541,853	32.7%	17,487,195	33.8%
Interest on Debt	3,577,370	5.7%	212,396	0.4%
Community Services	1,048,668	1.7%	852,779	1.6%
Non-Program Transactions	5,172,297	8.2%	4,969,998	9.6%
Depreciation - Unallocated	<u>2,462,470</u>	3.9%	<u>2,496,510</u>	4.8%
Total Expenses	<u>62,832,079</u>	100.0%	<u>51,750,438</u>	100.0%
Change in Net Position	<u>\$ (2,569,384)</u>		<u>\$ 4,278,627</u>	

Key elements of this change are as follows:

Increases in State General Aid resulted in a decrease of general tax levy. Federal Aid saw an increase due usage of Elementary and Secondary School Emergency Relief Funds. Instructional and support expenses increased as the district implemented wage increases that aligned with Consumer Price Index and a substantial increase in health insurance cost.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the spendable fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the District's governmental funds reported combined ending fund balances of \$83,362,641 an increase of \$67,789,716 in comparison with the prior year.

- A portion of the fund balance is classified as nonspendable to indicate that it is not expected to be converted to cash because it has been used for prepaid expenses and inventory of \$110,056.
- The majority of the fund balance is classified as restricted to indicate that legal constraints have been placed on the use of the funds, for debt service of \$705,691, for other governmental funds of \$4,331,993, and for capital projects of \$67,892,802.
- The remaining fund balance of \$10,322,099 is unassigned.

The *general fund* is the chief operating fund of the District. As of June 30, 2023, the total fund balance of the general fund was \$10,361,425. The fund balance of the general fund decreased by \$519,849 from the prior year.

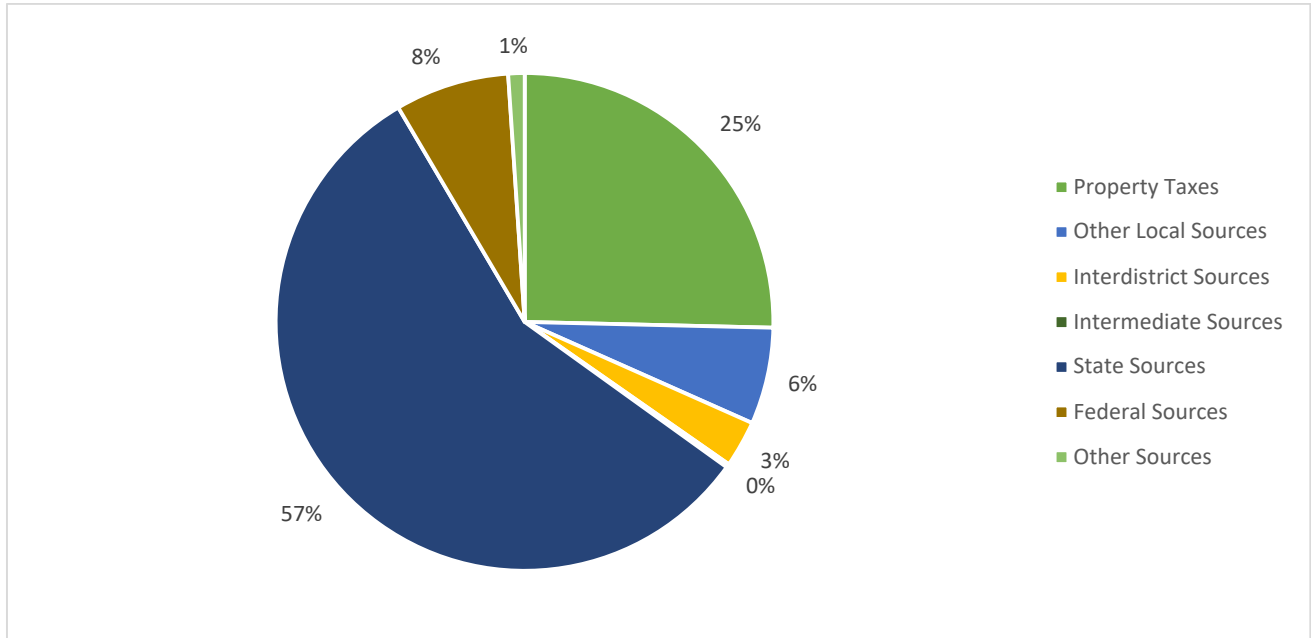
The *debt service fund* has a total fund balance of \$705,691, all of which is restricted for the payment of debt service. The fund balance decreased by \$180,208.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Governmental Fund Revenues

The following chart illustrates the District's sources of revenues for the year ended June 30, 2023 by percentages:



The District relies primarily on property taxes and general state aid to fund governmental activities. General state aid is paid according to a formula taking into consideration District spending and property values as compared to spending and property values for the state as a whole. Property taxes and general state and federal aid account for 89% of district-wide revenues.

Local sources of revenues total \$19,077,390 and include revenues of the general fund of \$11,517,624, debt service fund of \$3,909,543, capital projects fund of \$345,124 and other governmental funds of \$3,305,099.

Interdistrict sources of revenues of \$1,832,320 are funds from other districts for open enrollment and general tuition to the general fund.

Intermediate sources of revenues total \$143,813 and include amounts received from CESAs and a county school for special needs students to the general fund.

State sources of revenue total \$34,121,296 and include revenues to the general fund of \$34,080,482 and other governmental funds of \$40,814.

Federal sources of revenue total \$4,473,255 and include revenue to the general fund of \$3,363,368 and other governmental funds of \$1,109,887.

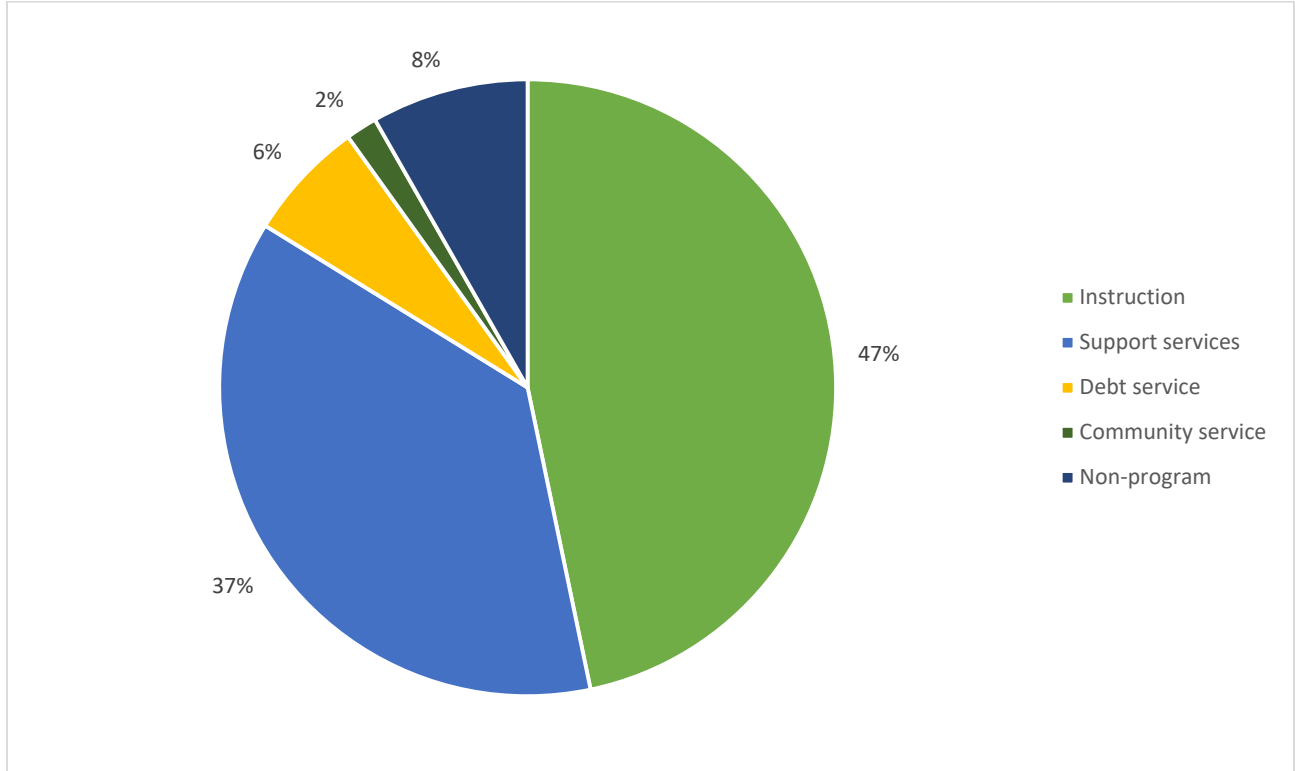
Other sources of revenue total \$630,499 of the general fund.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Governmental Fund Expenditures

The following chart illustrates the District's expenditures for the year ended June 30, 2023 by percentages:



Expenditures include instruction of \$28,825,858, support services of \$22,877,902, principal and interest on short and long-term debt of \$3,890,940, community services of \$1,025,352 and non-program transactions of \$5,079,050.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Fiduciary Funds

The District's fiduciary funds include a private purpose trust fund.

Net position of the private purpose trust fund at the end of the year amounted to \$4,889. This amount is restricted for scholarships. Net position decreased by \$4,228 from the prior year.

Budgetary highlights

The District's budget is shown in the following chart:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>2022-23 Actual</u>	<u>Variance - Positive / (Negative)</u>	<u>Percent</u>
General Fund*					
Revenues and					
Other Financing Sources	\$ 50,646,951	\$ 51,229,382	\$ 51,425,755	\$ 196,373	0.4%
Expenditures and					
Other Financing Uses	<u>51,619,473</u>	<u>52,201,904</u>	<u>51,945,604</u>	<u>256,300</u>	0.5%
	<u>\$ (972,522)</u>	<u>\$ (972,522)</u>	<u>\$ (519,849)</u>	<u>\$ 452,673</u>	

* Includes the Special Education Fund.

The District's actual general fund revenues and other financing sources were more than the budget by \$196,373, a variance of 0.4%.

The District's actual general fund expenditures and other financing uses were less than the budget by \$256,300, a variance of 0.5%.

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. There is reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the District had invested a net of \$40,428,030 in a broad range of capital assets, including buildings, sites, and equipment. This amount represents a decrease of \$492,876 from prior year.

- Asset acquisitions totaled \$2,988,985 for the fiscal year.
- The District recognized depreciation expense of \$2,462,470 during the fiscal year.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2023

Capital Assets (Continued)

	<u>2023</u>	<u>2022</u>
Land	\$ 741,172	\$ 741,172
Construction in Progress	2,225,226	-
Land Improvements	5,749,422	5,700,303
Buildings and Improvements	62,984,921	62,838,318
Machinery and Equipment	16,163,145	16,071,589
Less Accumulated Depreciation	<u>(47,435,856)</u>	<u>(45,416,228)</u>
Capital Assets, Net of Depreciation	<u>\$ 40,428,030</u>	<u>\$ 39,935,154</u>

Long-Term Obligations

	<u>2023</u>	<u>2022</u>
General Obligation Debt	\$ 71,200,958	\$ 8,982,069
Financed Purchase Contract	570,329	570,329
Compensated Absences	425,569	459,148
Other Post-Employment Benefits	215,276	354,829
Net Pension Liabilities	<u>11,222,190</u>	<u>3,706,885</u>
Long-term Obligations	<u>\$ 83,634,322</u>	<u>\$ 14,073,260</u>

- The District issued General Obligation Debt.
- The District retired \$139,553 of Other Post-Employment Benefits due to continued expiration of benefits.
- The District participates in the Wisconsin Retirement System and records its proportionate share of the plan within its District-Wide financial statements. At June 30, 2023, the State's plan reported a net pension liability and is therefore reported as a liability on the statement of net position, as opposed to the plan being a net pension asset at June 30, 2022 and reported as an asset.
- The District offers supplemental pension benefits in addition to the required WRS benefits. The net pension liability for supplemental pension increased by \$7,515,305.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The District is currently projected to be within budget for its on-going construction related to the successful November 2022 referendum. Successful completion of this project will allow this district to handle its current operations and student population.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is prepared to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Pulaski Community School District, 143 West Green Bay Street, Pulaski, Wisconsin 541612.

BASIC FINANCIAL STATEMENTS

PULASKI COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 85,222,259	\$ 17,144,581
Receivables:		
Taxes	3,325,441	3,050,450
Accounts	8,344	22,552
Pledges	254,838	307,440
Due from Other Governments	923,734	710,894
Inventories and Prepays	110,056	126,116
Net Pension Asset	-	12,320,129
Capital Assets, Net		
Nondepreciable	2,966,398	741,172
Depreciable, net	37,461,632	39,193,982
Total Assets	130,272,702	73,617,316
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	29,451,989	23,750,229
Other Postemployment Related Amounts	29,161	42,806
Total Deferred Outflows of Resources	29,481,150	23,793,035
LIABILITIES		
Accounts Payable	793,814	367,341
Accrued and Other Current Liabilities	4,914,173	4,732,379
Accrued Interest Payable	1,934,811	82,404
Unearned Revenues	85,153	33,783
Deposits Payable	434,053	348,165
Long-Term Obligations:		
Due in One Year	2,200,715	2,195,832
Due in More than One Year	74,777,336	7,815,714
Other Postemployment Benefits Liability - Due in One Year	-	8,494
Other Postemployment Benefits Liability - Due in More than One Year	215,276	346,335
Net Pension Liability - Due in One Year	398,157	412,068
Net Pension Liability - Due in More than One Year	10,824,033	3,294,817
Total Liabilities	96,577,521	19,637,332
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	16,978,089	29,054,943
Other Postemployment Related Amounts	187,409	137,859
Total Deferred Inflows of Resources	17,165,498	29,192,802
NET POSITION		
Net Investment in Capital Assets	31,423,226	30,382,756
Restricted		
Donations	543,640	492,997
Community Service	191,299	178,122
Food Service	1,660,464	1,242,683
Debt Service	-	803,495
Long-Term Capital Improvement	1,919,513	1,857,010
Capital Expansion	87,807	34,940
Capital Projects	345,124	-
Pension Benefits	-	12,320,129
Unrestricted	9,839,760	1,268,085
Total Net Position	\$ 46,010,833	\$ 48,580,217

See accompanying Notes to Basic Financial Statements.

PULASKI COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Totals	
				2023	2022
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 30,029,421	\$ 3,437,581	\$ 4,410,413	\$ (22,181,427)	\$ (18,519,944)
Support Services	20,541,853	1,262,286	2,592,715	(16,686,852)	(13,610,852)
Community Services	1,048,668	412,660	-	(636,008)	(461,100)
Nonprogram	5,172,297	-	370,861	(4,801,436)	(4,800,906)
Interest and Fiscal Charges	3,577,370	-	-	(3,577,370)	(212,396)
Depreciation - Unallocated	2,462,470	-	-	(2,462,470)	(2,496,510)
Total Governmental Activities	<u>\$ 62,832,079</u>	<u>\$ 5,112,527</u>	<u>\$ 7,373,989</u>	(50,345,563)	(40,101,708)
GENERAL REVENUES					
Property Taxes, Levied for General Purposes				15,279,611	13,834,015
Other Taxes				12,414	14,553
State and Federal Aids not Restricted to Specific Functions				30,935,063	30,275,537
Interest and Investment Earnings				874,408	14,065
Gain on Disposal of Capital Assets				44,184	111,880
Miscellaneous				630,499	130,285
Total General Revenues				<u>47,776,179</u>	<u>44,380,335</u>
CHANGES IN NET POSITION				(2,569,384)	4,278,627
Net Position - July 1				<u>48,580,217</u>	<u>44,301,590</u>
NET POSITION - END OF YEAR				<u>\$ 46,010,833</u>	<u>\$ 48,580,217</u>

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	General	Capital Projects	Debt Service	Other Governmental Funds	Totals	
					2023	2022
ASSETS						
Cash and Investments	\$ 11,644,602	\$ 68,434,723	\$ 705,691	\$ 4,437,243	\$ 85,222,259	\$ 17,144,581
Receivables:						
Taxes	3,325,441	-	-	-	3,325,441	3,050,450
Accounts	427	-	-	7,917	8,344	22,552
Pledges	254,838	-	-	-	254,838	307,440
Due from Other Governments	864,488	-	-	59,246	923,734	710,894
Inventories and Prepaids	39,326	-	-	70,730	110,056	126,116
Total Assets	\$ 16,129,122	\$ 68,434,723	\$ 705,691	\$ 4,575,136	\$ 89,844,672	\$ 21,362,033
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 227,661	\$ 541,921	\$ -	\$ 24,232	\$ 793,814	\$ 367,341
Accrued and Other Current Liabilities	4,892,185	-	-	21,988	4,914,173	4,732,379
Unearned Revenues	33,494	-	-	51,659	85,153	33,783
Deposits Payable	359,519	-	-	74,534	434,053	348,165
Total Liabilities	5,512,859	541,921	-	172,413	6,227,193	5,481,668
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Pledges	254,838	-	-	-	254,838	307,440
FUND BALANCES						
Nonspendable	39,326	-	-	70,730	110,056	126,116
Restricted	-	67,892,802	705,691	4,331,993	72,930,486	4,646,066
Unassigned	10,322,099	-	-	-	10,322,099	10,800,743
Total Fund Balances	10,361,425	67,892,802	705,691	4,402,723	83,362,641	15,572,925
Total Liabilities and Fund Balances	\$ 16,129,122	\$ 68,434,723	\$ 705,691	\$ 4,575,136	\$ 89,844,672	\$ 21,362,033

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	2023	2022
Fund Balances - Total Governmental Funds	\$ 83,362,641	\$ 15,572,925
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used by governmental activities are not current financial resources and therefore are not reported in the funds.	40,428,030	39,935,154
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:		
Pledges Receivable	254,838	307,440
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred Outflows Related to Pensions	29,451,989	23,750,229
Deferred Inflows Related to Pensions	(16,978,089)	(29,054,943)
Deferred Outflows Related to Other Postemployment Benefits	29,161	42,806
Deferred Inflows Related to Other Postemployment Benefits	(187,409)	(137,859)
Long-term asset are not considered available; therefore, are not reported in the funds:		
Net Pension Asset	-	12,320,129
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and Notes Payable	(71,200,958)	(8,680,000)
Financed Purchase Contract	(570,329)	(570,329)
Premium on Debt	(4,781,195)	(302,069)
Compensated Absences	(425,569)	(459,148)
Other Postemployment Benefits Liability	(215,276)	(354,829)
Net Pension Liability	(11,222,190)	(3,706,885)
Accrued Interest on Long-Term Obligations	(1,934,811)	(82,404)
Net Position of Governmental Activities	\$ 46,010,833	\$ 48,580,217

See accompanying Notes to Basic Financial Statements.

PULASKI COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

	General	Capital Projects	Debt Service	Other Governmental Funds	Totals	
					2023	2022
REVENUES						
Property Taxes	\$ 10,938,903	\$ -	\$ 3,460,264	\$ 892,858	\$ 15,292,025	\$ 13,848,568
Other Local Sources	578,721	345,124	449,279	2,412,241	3,785,365	1,984,782
Interdistrict Sources	1,832,320	-	-	-	1,832,320	1,960,180
Intermediate Sources	143,813	-	-	-	143,813	81,128
State Sources	34,080,482	-	-	40,814	34,121,296	32,914,560
Federal Sources	3,363,368	-	-	1,109,887	4,473,255	5,219,277
Other Sources	483,919	-	146,580	-	630,499	130,285
Total Revenues	51,421,526	345,124	4,056,123	4,455,800	60,278,573	56,138,780
EXPENDITURES						
Instruction:						
Regular Instruction	18,689,546	-	-	182,544	18,872,090	18,218,581
Vocational Instruction	1,437,752	-	-	40,386	1,478,138	1,378,953
Special Education Instruction	6,126,799	-	-	15,491	6,142,290	5,949,604
Other Instruction	1,875,578	-	-	457,762	2,333,340	2,143,655
Total Instruction	28,129,675	-	-	696,183	28,825,858	27,690,793
Support Services:						
Pupil Services	3,050,930	-	-	28,837	3,079,767	2,165,394
Instructional Staff Services	2,569,374	-	-	3,515	2,572,889	2,465,058
General Administration Services	490,949	-	-	-	490,949	477,368
School Administration Services	2,573,320	-	-	-	2,573,320	2,325,998
Business Services	501,955	-	-	4,657	506,612	479,899
Operations and Maintenance of Plant	3,877,661	2,252,322	-	217,170	6,347,153	4,283,758
Pupil Transportation Services	2,580,106	-	-	7,132	2,587,238	2,217,250
Food Services	-	-	-	1,915,938	1,915,938	2,339,572
Central Services	633,519	-	-	-	633,519	561,898
Insurance	455,675	-	-	-	455,675	390,425
Other Support Services	1,714,842	-	-	-	1,714,842	1,778,021
Total Support Services	18,448,331	2,252,322	-	2,177,249	22,877,902	19,484,641
Debt Service:						
Principal	284,042	-	1,750,000	-	2,034,042	2,016,816
Interest and Fiscal Charges	4,506	-	1,852,392	-	1,856,898	299,800
Total Debt Service	288,548	-	3,602,392	-	3,890,940	2,316,616
Community Service	-	-	-	1,025,352	1,025,352	898,299
Nonprogram						
General Tuition Payments	3,503,031	-	-	-	3,503,031	3,755,966
Co-Curricular Cooperative Program	338,136	-	-	-	338,136	289,832
Special Education Tuition Payments	560,484	-	-	-	560,484	399,593
Adjustments and Refunds	25,781	-	-	-	25,781	67,391
Revenue Transits to Others - General Voucher Amount	651,618	-	-	-	651,618	457,216
Total Nonprogram	5,079,050	-	-	-	5,079,050	4,969,998
Total Expenditures	51,945,604	2,252,322	3,602,392	3,898,784	61,699,102	55,360,347
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(524,078)	(1,907,198)	453,731	557,016	(1,420,529)	778,433
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	69,800,000	64,555,000	-	134,355,000	-
Capital Lease Issued	-	-	-	-	4,611,061	-
Premium on Debt Issued	-	-	4,611,061	-	(65,188,939)	-
Payment to Current Bondholder	-	-	(69,800,000)	-	(69,800,000)	-
Proceeds from Sale of Capital Assets	44,184	-	-	-	44,184	111,880
Transfers In	10,045	-	-	50,000	60,045	63,334
Transfers Out	(50,000)	-	-	(10,045)	(60,045)	(63,334)
Total Other Financing Sources (Uses)	4,229	69,800,000	(633,939)	39,955	4,021,306	111,880
NET CHANGE IN FUND BALANCES	(519,849)	67,892,802	(180,208)	596,971	67,789,716	890,313
Fund Balances - July 1	10,881,274	-	885,899	3,805,752	15,572,925	14,682,612
FUND BALANCES - END OF YEAR	\$ 10,361,425	\$ 67,892,802	\$ 705,691	\$ 4,402,723	\$ 83,362,641	\$ 15,572,925

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY 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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

	2023	2022
Net Changes in Fund Balances - Total Governmental Funds	\$ 67,789,716	\$ 890,313
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Reported as Expenditures in Governmental Fund Statements	2,988,985	1,052,227
Depreciation Expense Reported in the Statement of Activities	(2,462,470)	(2,496,510)
Net Book Value of Disposals	(33,639)	(1,527)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		
	(52,602)	(248,426)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Long-Term Debt Issued	(64,555,000)	-
Premium on Debt Issued	(4,611,060)	-
Principal Repaid	1,750,000	1,735,000
Financed Purchase Contract Paid	284,042	281,816
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:		
Accrued Interest on Long-Term Debt	(1,852,407)	25,614
Amortization of Premiums	131,934	61,790
Compensated Absences	33,579	42,597
Net Pension Asset (Liability)	(20,315,501)	2,643,841
Net Stipend Pension Liability	480,067	177,286
Deferred Outflows of Resources Related to Pensions	5,701,760	7,906,956
Deferred Inflows of Resources Related to Pensions	12,076,854	(7,785,434)
Other Postemployment Benefits	139,553	128,039
Deferred Outflows of Resources Related to Other Postemployment Benefits	(13,645)	(151,208)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(49,550)	16,253
Change in Net Position of Governmental Activities	\$ (2,569,384)	\$ 4,278,627

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Private Purpose Trust Fund	
	2023	2022
ASSETS		
Cash and Investments	\$ 4,889	\$ 9,117
NET POSITION		
Restricted for Scholarships	\$ 4,889	\$ 9,117

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

	Private Purpose Trust Fund	
	2023	2022
ADDITIONS		
Other Local Sources	\$ 4,776	\$ 9,865
DEDUCTIONS		
Trust Fund Disbursements	9,004	7,805
CHANGE IN NET POSITION	(4,228)	2,060
Net Position - Beginning of Year	9,117	7,057
NET POSITION - END OF YEAR	\$ 4,889	\$ 9,117

See accompanying Notes to Basic Financial Statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is organized as a unified school district. The District, governed by an elected seven-member board, operates grades pre-K through 12 and is comprised of all or parts of sixteen taxing districts. In accordance with U.S. GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are primarily supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund

This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. District-Wide and Fund Financial Statements (Continued)

Capital Projects Fund

This fund accounts for the acquisition or construction of major capital facilities.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds. The fund includes both referendum approved and non-referendum debt service.

Additionally, the District reports the following fiduciary fund types:

- The private purpose trust fund is used to account for resources legally held in trust for scholarship awards. Only earnings on the invested resources may be used to support the scholarships.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the basic financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Property Taxes

The aggregate District tax levy is apportioned and certified in November 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 must 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 each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance.

Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for nonpayment of a scheduled installment, and full receipt of the entire levy is assured within 60 days of fiscal year-end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Accounts Receivable

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

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

5. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and expensed in the periods benefitted.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available resources.

7. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities Years
Land, Buildings, and Improvements	20 to 50
Machinery and Equipment	5 to 20
Infrastructure	25 to 100

8. Unearned Revenues

The district-wide statement of net position and balance sheet reports unearned revenue and therefore, defers revenue recognition in connection with resources that have been received but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced, and revenue is recognized.

9. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. All vacation and sick leave is accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

12. Pensions

Wisconsin Retirement System

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

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

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

Supplemental Pension Plan

Qualifying teachers and administrators are provided with a supplemental pension. The supplemental pension is a single employer defined benefit plan administered by the District. For purposes of measuring the supplemental pension liability, related deferred outflows and inflows and pension expense, the District has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Pensions (Continued)

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this plan are entirely from employee voluntary contributions. The District makes no employer contributions to this plan.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying retired employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows, and inflows and OPEB expense, the District has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.
- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the Director of Business Services to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity (Continued)

- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The District has adopted a minimum fund balance policy that states the fund balance shall not fall below 10% of the operating budget in the general fund.

District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the District's financial position and operations. The comparative amounts may be summarized in total not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the private purpose trust fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments totaled \$85,227,148 on June 30, 2023 as summarized below:

Petty Cash and Cash on Hand	\$ 12,500
Deposits with Financial Institutions	23,833,191
Investments	
Wisconsin Investment Series Cooperative (WISC)	<u>61,381,457</u>
Total	<u><u>\$ 85,227,148</u></u>

Reconciliation to the Basic Financial Statements:

District-Wide Statement of Net Position	
Cash and Investments	\$ 85,222,259
Fiduciary Fund Statement of Net Position	
Private Purpose Trust	<u>4,889</u>
Total	<u><u>\$ 85,227,148</u></u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions.

The District has the following fair value measurements as of June 30, 2023:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
WISC Investments:			
U.S. Treasury Securities	\$ 48,709,805	\$ -	\$ -
Negotiable Certificates of Deposit	-	1,336,715	-
	<u>\$ 48,709,805</u>	<u>\$ 1,336,715</u>	<u>\$ -</u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. 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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit 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. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2023, \$1,498,911 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits. \$13,000,000 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

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. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
WISC Investments:					
U.S Treasuries	\$ 48,709,805	\$ 48,709,805	\$ -	\$ -	\$ -
Negotiable Certificates of Deposits	1,336,715	-	-	-	1,336,715
Investment Series	10,503,892	-	10,503,892	-	-
Cash Management Series	831,045	-	831,045	-	-
Totals	\$ 61,381,457	\$ 48,709,805	\$ 11,334,937	\$ -	\$ 1,336,715

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At June 30, 2023, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
WISC Investments:					
U.S Treasuries	\$ 48,709,805	\$ 12,883,232	\$ 32,261,122	\$ 3,565,451	\$ -
Negotiable Certificates of Deposits	1,336,715	1,336,715	-	-	-
Investment Series	10,503,892	10,503,892	-	-	-
Cash Management Series	831,045	831,045	-	-	-
Totals	<u>\$ 61,381,457</u>	<u>\$ 25,554,884</u>	<u>\$ 32,261,122</u>	<u>\$ 3,565,451</u>	<u>\$ -</u>

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$70,590,057 at year-end consisting of \$9,208,600 in certificates of deposit, \$831,045 invested in the Cash management Series, \$10,503,892 invested in the Investment Series and \$50,046,520 in fixed income investments. The Cash management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is 90 days or less. The Investment Series requires a 14-day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is 120 days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperate Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC Multi-Class Series, including Cash Management Series and Investment Series, are valued at amortized cost, which approximates market value.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 741,172	\$ -	\$ -	\$ 741,172
Construction in progress	-	2,225,226	-	2,225,226
Total capital assets, nondepreciable	<u>741,172</u>	<u>2,225,226</u>	<u>-</u>	<u>2,966,398</u>
Capital Assets, Depreciable:				
Land Improvements	5,700,303	49,119	-	5,749,422
Buildings and Improvements	62,838,318	146,603	-	62,984,921
Machinery and Equipment	16,071,589	568,037	476,481	16,163,145
Subtotals	<u>84,610,210</u>	<u>763,759</u>	<u>476,481</u>	<u>84,897,488</u>
Less Accumulated Depreciation for:				
Land Improvements	2,400,443	220,550	-	2,620,993
Buildings and Improvements	29,831,747	1,659,980	-	31,491,727
Machinery and Equipment	13,184,038	581,940	442,842	13,323,136
Subtotals	<u>45,416,228</u>	<u>2,462,470</u>	<u>442,842</u>	<u>47,435,856</u>
Total Capital Assets, Depreciable, Net	<u>39,193,982</u>	<u>(1,698,711)</u>	<u>33,639</u>	<u>37,461,632</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,935,154</u>	<u>\$ 526,515</u>	<u>\$ 33,639</u>	40,428,030
Less: Related Capital Related Debt, Net of Unspent Debt Proceeds				4,223,609
Less: Debt Premium				<u>4,781,195</u>
Net Investment in Capital Assets				<u>\$ 31,423,226</u>

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Transfers

Interfund transfers of the District, as reported in the fund financial statements, for the year ended June 30, 2023 are detailed below:

Fund	Transfer In	Transfer Out
General	\$ 10,445	\$ 50,000
Cooperative Program	-	10,445
Capital Improvement Fund	50,000	-
Total	<u>\$ 60,445</u>	<u>\$ 60,445</u>

Interfund transfers were made for the following purposes:

To Fund for Expenditures Over Revenues	\$ 10,445
Transfer General Fund Excess Revenues Over Expenditures to Fund the Long-Term Capital Improvement Trust Fund	50,000
Total	<u>\$ 60,445</u>

D. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Bonds	\$ 1,900,000	\$ 64,555,000	\$ 205,000	\$ 66,250,000	\$ 215,000
Notes	6,780,000	-	1,545,000	5,235,000	1,585,000
Total General Obligation Debt	8,680,000	64,555,000	1,750,000	71,485,000	1,800,000
Bond Anticipation Notes	-	69,800,000	69,800,000	-	-
Debt Premium	302,069	4,611,060	131,934	4,781,195	14,428
Direct Borrowing:					
Financed Purchase Contract	570,329	-	284,042	286,287	286,287
Compensated Absences	459,148	-	33,579	425,569	100,000
Governmental Activities Long-Term Obligations	<u>\$ 10,011,546</u>	<u>\$ 138,966,060</u>	<u>\$71,999,555</u>	<u>\$ 76,978,051</u>	<u>\$ 2,200,715</u>

Total interest paid during the year on long-term debt totaled \$1,856,900.

The District's outstanding note from direct borrowing related to governmental activities of \$288,513 contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment or the repossession of such equipment.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2022</u>
General Obligation Promissory Notes	09/24/14	09/01/24	1.00% - 2.50%	\$ 2,700,000	\$ 325,000
General Obligation Promissory Notes	02/17/16	03/09/26	1.50% - 2.50%	2,800,000	890,000
General Obligation Promissory Notes	07/13/17	03/01/27	2.00% - 4.00%	8,500,000	4,020,000
General Obligation School Facility Improvement Bonds	07/02/18	03/01/30	3.00%	2,300,000	1,695,000
General Obligation Refunding Bonds	03/09/23	03/09/43	4.00% - 5.00%	64,555,000	64,555,000
Total Outstanding General Obligation Debt					<u>\$ 71,485,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$71,485,000 on June 30, 2023 are detailed below:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,800,000	\$ 4,422,980	\$ 6,222,980
2025	2,840,000	2,969,913	5,809,913
2026	2,950,000	2,867,889	5,817,889
2027	2,750,000	2,756,525	5,506,525
2028	2,840,000	2,621,800	5,461,800
2029-2033	15,615,000	10,881,450	26,496,450
2034-2038	19,180,000	6,759,200	25,939,200
2039-2043	23,510,000	2,426,000	25,936,000
Total	<u>\$ 71,485,000</u>	<u>\$ 35,705,757</u>	<u>\$ 107,190,757</u>

Annual principal and interest maturities of the outstanding direct borrowings – financed purchase contract of \$286,287 on June 30, 2023 are detailed below:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	286,287	2,262	288,549
Total	<u>\$ 286,287</u>	<u>\$ 2,262</u>	<u>\$ 288,549</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

In prior years, the District defeased portions of general obligation bond issues. As a result, the bonds are considered to be defeased and the liability has been removed the financial statements. At June 30, 2023, \$690,000 of outstanding general obligation bonds are considered defeased.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2023 was \$204,361,156 as follows:

Equalized Valuation of the District	\$ 2,758,461,557
Statutory Limitation Percentage	<u>(x) 10%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	275,846,156
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>71,485,000</u>
Legal Margin for New Debt	<u><u>\$ 204,361,156</u></u>

E. Pension Plans

The District reports pension related balances at June 30, 2023, as summarized below:

	Pension (Asset) Liability	Outflows of Resources	Inflows of Resources	Expense (Revenue)
Wisconsin Retirement System (WRS)	\$ 7,995,372	\$ 28,901,266	\$ (16,744,742)	\$ 4,071,423
Stipend Pension Plan	3,226,818	550,723	(233,347)	215,733
Total Pension Asset	<u>\$ 11,222,190</u>	<u>\$ 29,451,989</u>	<u>\$ (16,978,089)</u>	<u>\$ 4,287,156</u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report, 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.

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.

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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan (Continued)

Plan Description (Continued)

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan (Continued)

Contributions (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, executives, and elected officials. Starting on January 1, 2016, the executives and elected officials' category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting year ending June 30, 2023, the WRS recognized \$1,826,125 in contributions from the District.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives and Elected Officials)	6.80%	6.80%

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

At June 30, 2023, the District reported a liability of \$7,995,372 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.15092147%, which was a decrease of 0.00193024% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$4,071,423.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 12,734,149	\$ 16,729,815
Net Differences between Projected and Actual Earnings on Pension Plan Investments	13,582,292	-
Changes in Assumptions	1,572,221	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	50,461	14,927
Employer Contributions Subsequent to the Measurement Date	962,143	-
Total	\$ 28,901,266	\$ 16,744,742

\$962,143 reported as deferred outflows related to pension resulting from the District'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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 467,318
2025	2,320,958
2026	2,383,358
2027	6,022,747
Total	\$ 11,194,381

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

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

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

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Long-Term Expected Return on Plan Assets

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

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core Fund Asset Class			
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive	19.0%	3.6%	1.1%
Real Estate	8%	5.2%	2.6%
Private Equity/Debt	15%	9.6%	6.9%
Cash	-15%	N/A	N/A
Total Core Fund	<u>100%</u>	7.4%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	7.2%	4.6%
International Equities	30%	8.1%	5.5%
Total Variable Fund	<u>100%</u>	7.7%	5.1%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

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

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

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 26,536,380</u>	<u>\$ 7,995,372</u>	<u>\$ (4,759,250)</u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

The District reported a payable of \$762,745 for the outstanding amount of contributions to the pension plan as of June 30, 2023.

2. Stipend Pension Plan

Plan Description

The plan, a single employer pension plan, is a defined benefit pension plan established to provide a cash stipend to some retirees. The plan is administered by the District.

Benefits Provided

A summary of eligibility requirements and plan benefits follows:

Position	Hire and Retirement Dates	Eligibility Requirements			Benefit Duration	Plan Benefit
		Age	Service	Medical Plan		
<u>Teachers and Nonrepresented Staff</u>						
	Tier 1 - Hired prior to July 1, 1998 and retiring after July 1, 2014	55	20	Yes	5 Years or Medicare-eligibility	Annual \$16,000 contribution to a 403(b) Prorated amounts for those working between 20 and 40 hours.
	Tier 2 - Hired between July 1, 1998 and July 1, 2003 and retiring after July 1, 2014	55	20	Yes	5 Years or Medicare-eligibility	Annual \$12,000 contribution to a 403(b) Prorated amounts for those working between 20 and 40 hours.
<u>Support Staff</u>						
	Tier 1 - Hired prior to July 1, 1998 and retiring after July 1, 2014	55	20	Yes	5 Years or Medicare-eligibility	Annual \$10,000 contribution to a 403(b) Prorated amounts for those working between 20 and 40 hours.
	Tier 2 - Hired between July 1, 1998 and July 1, 2003 and retiring after July 1, 2014	55	20	Yes	5 Years or Medicare-eligibility	Annual \$7,500 contribution to a 403(b) Prorated amounts for those working between 20 and 40 hours.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial study, the following employees were covered by the benefit terms:

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

2. Stipend Pension Plan (Continued)

Employees Covered by Benefit Terms (Continued)

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	34
Active Employees	98
Total	<u>132</u>

Funding Policy

The entire cost of these benefits is paid by the District. Benefits are currently funded on a pay-as-you-go basis and no assets are accumulated in a trust.

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

<u>Component</u>	<u>Amount</u>
Total Pension Liability at July 1, 2021	\$ 3,706,885
Changes for the Year:	
Service Cost	141,743
Interest	80,364
Differences Between Expected and Actual Experience	(104,140)
Changes of Assumptions or Other Input	(185,966)
Benefit Payments	<u>(412,068)</u>
Net Changes	<u>(480,067)</u>
Total Pension Liability at June 30, 2022	<u>\$ 3,226,818</u>

For the year ended June 30, 2023, the District recognized pension expense of \$215,733.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 79,528	\$ 78,105
Changes in Assumptions	73,038	155,242
Benefit Payments Made Subsequent to the Measurement Date	398,157	-
Total	<u>\$ 550,723</u>	<u>\$ 233,347</u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

2. Stipend Pension Plan (Continued)

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

\$398,157 reported as deferred outflows related to pension resulting from the District's benefit payments made subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (6,374)
2025	(1,882)
2026	(72,525)
Total	<u>\$ (80,781)</u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2022.

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal - Level % of Salary
Actuarial Assumptions:	
Discount Rate	4.00%
Inflation	2.50%
Salary Increases	0.1-5.6% Based on Years of Service
Average Expected Remaining Service Lives	4 Years

Single Discount Rate

A single discount rate of 4.00% was used to measure the total pension liability as opposed to a discount rate of 2.25% for the prior year. This single discount rate was based on the S&P Municipal Bond 20 Year High Grade Index.

Sensitivity of the District's Total Pension Liability to Changes in the Discount Rate

The following presents the District's total pension liability at June 30, 2022 calculated using the discount rate of 4.00%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current rate.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plans (Continued)

2. Stipend Pension Plan (Continued)

Sensitivity of the District's Total Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total Pension Liability	\$ 3,343,420	\$ 3,226,818	\$ 3,110,172

The sensitivity of the District's total pension liability was determined based on the actuarial date while the total pension liability of \$3,226,818 was based on the District's fiscal year ended June 30, 2022, as rolled forward by the District's actuary. Sensitivity information as of June 30, 2023 was not available.

F. Other Postemployment Benefits

Plan Description

The plan is a single employer defined benefit postemployment health plan that covers retired employees of the District. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. No assets have been accumulated in an irrevocable trust.

Benefits Provided

Benefits and eligibility for certified retired staff are established and amended by the Board of Education and include the following benefits:

Position	Eligibility	Benefit Duration	Benefit Type	Contributions
<u>Administrators, Teachers, and Nonrepresented Staff</u>				
	Retired Prior to July 1, 2013	Eight Years or Medicare- Eligibility or Death	Medical Premiums	District Contributes \$12,732.12 Annually
<u>Support Staff</u>				
	Retired Prior to July 1, 2013	Five Years or Medicare- Eligibility or Death	Medical Premiums	District Contributes \$12,732.12 Annually

District employees that retired prior to July 1, 2011 were eligible for grandfathered benefits that are no longer offered by the District. District employees hired after July 1, 2003 are not eligible for a District provided post-employment benefit funded upon retirement of any kind.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial study, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	6
Active Employees	384
Total	424

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary Increases:	0.1-5.6% Based on Years of Service
Actuarial Cost Method:	Entry Age Normal - Level % of Salary
Healthcare Cost Trend Rates:	7.0% Decreasing to 6.5%, then decreasing by .1% Per Year Down to 4.50%, and and Level Thereafter
Dental Cost Trend Rates:	Level at 4.5%

Mortality rates are based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-201 projection from a base year of 2010.

The actuarial assumptions used in the June 30, 2022 valuation were based on the "Wisconsin Retirement System 2018 - 2020 Experience Study".

Discount Rate

The discount rate used to measure the total OPEB liability was 4.00% as opposed to a discount rate of 2.25% for the prior year. This discount rate is based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date.

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
	(a)
Balance at July 1, 2021	\$ 354,829
Changes for the Year:	
Service Cost	17,580
Interest	7,148
Differences Between Expected and Actual	
Experience	(61,495)
Changes of Assumptions or Other Input	(10,888)
Benefit Payments	(91,898)
Net Changes	(139,553)
Balance at June 30, 2022	\$ 215,276

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 225,219	\$ 215,276	\$ 205,685

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current health care cost trend rates:

	1% Decrease (6.0% Decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB Liability	\$ 201,112	\$ 215,276	\$ 231,656

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$7,046.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 177,511
Changes in Assumptions	29,161	9,898
Total	\$ 29,161	\$ 187,409

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ending June 30,	Amount
2024	\$ 17,682
2025	17,682
2026	17,682
2027	17,682
2028	17,688
Thereafter	69,832
Total	\$ 158,248

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2023, nonspendable fund balance was as follows:

Nonspendable:	
General Fund	
Prepays	\$ 39,326
Nonmajor Governmental Funds - Food Service	70,730
Total Nonspendable Fund Balance	<u>\$ 110,056</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2023, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for:	
Donations and Student Activities	\$ 543,640
Community Service	191,299
Food Service	1,589,734
Debt Service Funds	
Restricted for:	
Debt Service	705,691
Capital Projects Fund	
Restricted for:	
Long-Term Capital Improvement	1,919,513
Capital Expansion	87,807
Capital Projects	67,892,802
Total Restricted Fund Balance	<u>\$ 72,930,486</u>

**PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 OTHER INFORMATION

A. Contingencies

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

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

B. Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Property Taxes	\$ 10,941,489	\$ 10,941,489	\$ 10,938,903	\$ (2,586)
Other Local Sources	383,755	403,062	578,721	175,659
Interdistrict Sources	1,944,504	1,953,059	1,832,320	(120,739)
Intermediate Sources	25,650	56,168	53,489	(2,679)
State Sources	31,754,578	31,836,520	31,903,722	67,202
Federal Sources	2,671,274	2,732,683	2,410,624	(322,059)
Other Sources	88,000	365,360	483,919	118,559
Total Revenues	<u>47,809,250</u>	<u>48,288,341</u>	<u>48,201,698</u>	<u>(86,643)</u>
EXPENDITURES				
Instruction:				
Regular Instruction	18,768,398	19,054,675	18,689,546	365,129
Vocational Instruction	1,342,035	1,341,146	1,437,752	(96,606)
Other Instruction	<u>2,032,591</u>	<u>2,044,438</u>	<u>1,875,578</u>	<u>168,860</u>
Total Instruction	<u>22,143,024</u>	<u>22,440,259</u>	<u>22,002,876</u>	<u>437,383</u>
Support Services:				
Pupil Services	2,144,857	2,212,356	2,184,525	27,831
Instructional Staff Services	2,304,382	2,292,078	2,151,594	140,484
General Administration Services	444,713	444,713	490,949	(46,236)
School Administration Services	2,615,986	2,630,898	2,573,320	57,578
Business Services	495,878	492,878	487,463	5,415
Operations and Maintenance of Plant	3,617,944	3,679,168	3,875,579	(196,411)
Pupil Transportation Services	2,399,685	2,416,517	2,250,370	166,147
Central Services	617,545	670,301	626,380	43,921
Insurance	437,500	437,500	455,675	(18,175)
Other Support Services	<u>1,876,197</u>	<u>1,863,709</u>	<u>1,714,842</u>	<u>148,867</u>
Total Support Services	<u>16,954,687</u>	<u>17,140,119</u>	<u>16,810,697</u>	<u>329,422</u>
Debt Service:				
Principal	284,043	284,043	284,042	1
Interest and Fiscal Charges	<u>4,506</u>	<u>4,506</u>	<u>4,506</u>	<u>-</u>
Total Debt Service	<u>288,549</u>	<u>288,549</u>	<u>288,548</u>	<u>1</u>
Nonprogram:				
General Tuition Payments	3,348,705	3,348,405	3,503,031	(154,626)
Co-Curricular Cooperative Program	260,000	260,000	338,136	(78,136)
Adjustments And Refunds	-	-	25,781	(25,781)
Voucher Payments	<u>642,264</u>	<u>642,264</u>	<u>651,618</u>	<u>(9,354)</u>
Total Nonprogram	<u>4,250,969</u>	<u>4,250,669</u>	<u>4,518,566</u>	<u>(267,897)</u>
Total Expenditures	<u>43,637,229</u>	<u>44,119,595</u>	<u>43,620,687</u>	<u>498,908</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,172,021	4,168,746	4,581,011	412,265
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	19,940	23,215	44,184	20,969
Transfers In	-	-	10,045	10,045
Transfers Out	<u>(5,164,483)</u>	<u>(5,164,483)</u>	<u>(5,155,089)</u>	<u>9,394</u>
Total Other Financing Sources (Uses)	<u>(5,144,543)</u>	<u>(5,141,268)</u>	<u>(5,100,860)</u>	<u>40,408</u>
NET CHANGE IN FUND BALANCE	(972,522)	(972,522)	(519,849)	452,673
Fund Balance - Beginning of Year	<u>10,881,274</u>	<u>10,881,274</u>	<u>10,881,274</u>	<u>-</u>
FUND BALANCE - END of YEAR	<u>\$ 9,908,752</u>	<u>\$ 9,908,752</u>	<u>\$ 10,361,425</u>	<u>\$ 452,673</u>

See accompanying notes to Required Supplementary Information.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND –
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intermediate Sources	\$ 60,300	\$ 60,300	\$ 90,324	\$ 30,024
State Sources	1,900,669	1,975,669	2,176,760	201,091
Federal Sources	906,792	931,857	952,744	20,887
Total Revenues	<u>2,867,761</u>	<u>2,967,826</u>	<u>3,219,828</u>	<u>252,002</u>
EXPENDITURES				
Instruction:				
Special Education Instruction	6,142,898	6,184,634	6,126,799	57,835
Support Services:				
Pupil Services	888,652	888,652	866,405	22,247
Instructional Staff Services	303,771	291,200	417,780	(126,580)
Business Services	14,492	14,492	14,492	-
Operations and Maintenance Of Plant	3,850	3,750	2,082	1,668
Pupil Transportation Services	257,331	282,331	329,736	(47,405)
Central Services	4,500	4,500	7,139	(2,639)
Total Support Services	<u>1,472,596</u>	<u>1,484,925</u>	<u>1,637,634</u>	<u>(152,709)</u>
Nonprogram:				
Special Education Tuition Payments	366,750	412,750	560,484	(147,734)
Total Expenditures	<u>7,982,244</u>	<u>8,082,309</u>	<u>8,324,917</u>	<u>(242,608)</u>
DEFICIENCY OF REVENUES UNDER EXPEDITURES	(5,114,483)	(5,114,483)	(5,105,089)	9,394
OTHER FINANCING SOURCES				
Transfers In	<u>5,114,483</u>	<u>5,114,483</u>	<u>5,105,089</u>	<u>(9,394)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to Required Supplementary Information.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST TEN MEASUREMENT PERIODS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.16694140%	\$ (4,100,538)	\$ 23,121,477	17.73%	102.74%
12/31/15	0.16552719%	2,689,785	23,240,975	11.57%	98.20%
12/31/16	0.16372463%	1,349,482	23,336,446	5.78%	99.12%
12/31/17	0.16192070%	(4,807,616)	23,879,683	20.13%	102.93%
12/31/18	0.15995505%	5,690,699	24,238,031	23.48%	96.45%
12/31/19	0.15765480%	(5,083,510)	24,726,507	20.56%	102.96%
12/31/20	0.15499077%	(9,676,288)	25,523,911	37.91%	102.96%
12/31/21	0.15285171%	(12,320,129)	26,107,957	47.19%	106.02%
12/31/22	0.15092147%	7,995,372	26,945,085	29.67%	95.72%

SCHEDULE OF CONTRIBUTIONS – LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 1,627,410	\$ 1,627,410	\$ -	\$ 23,121,477	7.04%
6/30/16	1,580,384	1,580,384	-	23,240,975	6.80%
6/30/17	1,540,059	1,540,059	-	23,336,446	6.60%
6/30/18	1,623,817	1,623,817	-	23,879,683	6.80%
6/30/19	1,613,350	1,613,350	-	24,357,308	6.62%
6/30/20	1,689,764	1,689,764	-	25,398,979	6.65%
6/30/21	1,736,378	1,736,378	-	25,724,120	6.75%
6/30/22	1,755,512	1,755,512	-	26,510,837	6.62%
6/30/23	1,826,125	1,826,125	-	27,598,609	6.62%

See accompanying notes to Required Supplementary Information.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION PLAN
LAST TEN MEASUREMENT PERIODS***

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability:							
Service Cost	\$ 141,743	\$ 138,624	\$ 142,799	\$ 132,589	\$ 138,705	\$ 149,946	\$ 149,946
Interest	80,364	84,449	123,763	131,672	120,141	102,939	98,369
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(104,140)	-	170,634	-	67,650	-	-
Changes in Assumptions	(185,966)	-	152,567	36,034	(29,497)	(75,963)	-
Benefit Payments	(412,068)	(400,359)	(340,563)	(220,563)	(210,000)	(130,000)	(62,000)
Net Change in Total Pension Liability	(480,067)	(177,286)	249,200	79,732	86,999	46,922	186,315
Total Pension Liability - Beginning of Year	3,706,885	3,884,171	3,634,971	3,555,239	3,468,240	3,421,318	3,235,003
TOTAL PENSION LIABILITY - END OF YEAR	\$ 3,226,818	\$ 3,706,885	\$ 3,884,171	\$ 3,634,971	\$ 3,555,239	\$ 3,468,240	\$ 3,421,318
Covered Payroll	\$ 6,344,806	\$ 6,455,052	\$ 6,455,052	\$ 8,522,037	\$ 8,522,037	\$ 8,798,412	\$ 8,798,412
District's Total Pension Liability as a Percentage of Covered Payroll	50.86%	57.43%	60.17%	42.65%	41.72%	39.42%	38.89%

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

See accompanying notes to Required Supplementary Information.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITIES AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service Cost	\$ 17,580	\$ 17,193	\$ 14,510	\$ 13,582	\$ -	\$ -
Interest	7,148	9,319	26,007	40,751	55,512	81,522
Differences Between Expected and Actual Experience	(61,495)	-	(147,915)	-	(28,062)	-
Changes of Assumptions	(10,888)	-	10,851	4,461	37,186	-
Benefit Payments	<u>(91,898)</u>	<u>(154,551)</u>	<u>(312,801)</u>	<u>(492,956)</u>	<u>(648,644)</u>	<u>(1,000,696)</u>
Net Change in Total OPEB Liability	(139,553)	(128,039)	(409,348)	(434,162)	(584,008)	(919,174)
Total OPEB Liability - Beginning of Year	<u>354,829</u>	<u>482,868</u>	<u>892,216</u>	<u>1,910,386</u>	<u>1,910,386</u>	<u>2,829,560</u>
TOTAL OPEB LIABILITY - END OF YEAR (*)	<u>\$ 215,276</u>	<u>\$ 354,829</u>	<u>\$ 482,868</u>	<u>\$ 1,476,224</u>	<u>\$ 1,326,378</u>	<u>\$ 1,910,386</u>
Covered-Employee Payroll	\$ 26,322,031	\$ 21,657,111	\$ 21,657,111	\$ 23,376,232	\$ 23,376,232	Not Known
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.82%	1.64%	2.23%	6.32%	5.67%	N/A

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

See accompanying notes to Required Supplementary Information.

PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 PENSIONS

Wisconsin Retirement System (WRS)

There were no changes of benefit terms for any participating employer in the 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 wage inflation rate from 3.2% to 3.0%
- 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

The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

Supplemental Pension Plan

The Plan's benefit terms have not changed since the prior valuation. The discount rate used to measure the total pension liability was 4.00% as opposed to 2.25% in the prior year. Other actuarial assumptions are consistent with the prior valuation. The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. No assets have been accumulated in an irrevocable trust.

The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLANS

The Plan's benefit terms have not changed since the prior valuation. The discount rate used to measure the total other postemployment liability was 4.00% as opposed to 2.25% in the prior year. Other assumptions are consistent with the prior valuation. The amounts reported for each fiscal year were determined as of June 30 of the prior fiscal year-end. No assets have been accumulated in an irrevocable trust.

The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. Budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
- Appropriations lapse at year-end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance in the fund financial statements.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2023.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund in accordance with requirements from the Wisconsin Department of Public Instruction. In accordance with generally accepted accounting principles, this fund is included as part of the general fund in these financial statements. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a U.S. GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education</u>
Revenues		
Actual Amounts (Budgetary Basis)	\$ 48,201,698	\$ 3,219,828
Reclassification of Special Education	<u>3,219,828</u>	<u>(3,219,828)</u>
Total Revenues	51,421,526	-
Expenditures		
Actual Amounts (Budgetary Basis)	43,620,687	8,324,917
Reclassification of Special Education	<u>8,324,917</u>	<u>(8,324,917)</u>
Total Expenditures	51,945,604	-
Excess of Revenues Over (Under) Expenditures		
Actual Amounts (Budgetary Basis)	4,581,011	(5,105,089)
Reclassification of Special Education	<u>(5,105,089)</u>	<u>5,105,089</u>
Excess of Revenues Over (Under) Expenditures	(524,078)	-
Other Financing Sources (Uses)		
Actual Amounts (Budgetary Basis)	(5,100,860)	5,105,089
Reclassification of Special Education	<u>5,105,089</u>	<u>(5,105,089)</u>
Total Other Financing Sources (Uses)	<u>4,229</u>	<u>-</u>
Net Change in Fund Balance		
Actual Amounts (Budgetary Basis)	(519,849)	-
Fund Balance - July 1		
Actual Amounts (Budgetary Basis)	<u>10,881,274</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 10,361,425</u></u>	<u><u>\$ -</u></u>

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Excess of Expenditure Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended June 30, 2023:

Funds	Excess Expenditures
General Fund	
Instruction	
Vocational Instruction	96,606
Support Services	
General Administration Services	46,236
Operations and Maintenance of Plant	196,411
Insurance	18,175
Nonprogram	
General Tuition Payments	154,626
Co-Curricular Cooperative Program	78,136
Adjustments and Refunds	25,781
Voucher Payments	9,354
Special Education Fund	
Support Services	
Instructional Staff Services	126,580
Pupil Transportation Services	47,405
Central Services	2,639
Nonprogram	
Special Education Tuition Payments	147,734

Excess expenditures were funded with positive variances in other general and special education fund appropriation accounts.

SUPPLEMENTARY INFORMATION

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET –
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023**

	Special Revenue				
	Food Service	Donations	Title VI American Indian Education	Cooperative Program	Community Service
ASSETS					
Cash and Investments	\$ 1,626,933	\$ 551,326	\$ 50	\$ 224	\$ 251,390
Receivables:					
Accounts	-	-	-	-	7,917
Due From Other Governments	59,246	-	-	-	-
Prepays and inventories	70,730	-	-	-	-
	<u>70,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,756,909</u>	<u>\$ 551,326</u>	<u>\$ 50</u>	<u>\$ 224</u>	<u>\$ 259,307</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 12,403	\$ 7,670	\$ -	\$ -	\$ 4,159
Accrued and Other Current Liabilities	9,508	16	50	224	12,190
Unearned Revenues	-	-	-	-	51,659
Deposits Payable	74,534	-	-	-	-
Total Liabilities	<u>96,445</u>	<u>7,686</u>	<u>50</u>	<u>224</u>	<u>68,008</u>
FUND BALANCES					
Nonspendable	70,730	-	-	-	-
Restricted	1,589,734	543,640	-	-	191,299
Total Fund Balances	<u>1,660,464</u>	<u>543,640</u>	<u>-</u>	<u>-</u>	<u>191,299</u>
Total Liabilities and Fund Balances	<u>\$ 1,756,909</u>	<u>\$ 551,326</u>	<u>\$ 50</u>	<u>\$ 224</u>	<u>\$ 259,307</u>

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET – (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023**

	Capital Projects		Total
	Long-Term Capital Improvement	Capital Expansion	Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 1,919,513	\$ 87,807	\$ 4,437,243
Receivables:			
Accounts	-	-	7,917
Due From Other Governments	-	-	59,246
Prepays and inventories	-	-	70,730
	<u>\$ 1,919,513</u>	<u>\$ 87,807</u>	<u>\$ 4,575,136</u>
Total Assets			
	<u>\$ 1,919,513</u>	<u>\$ 87,807</u>	<u>\$ 4,575,136</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 24,232
Accrued and Other Current Liabilities	-	-	21,988
Unearned Revenues	-	-	51,659
Deposits Payable	-	-	74,534
Total Liabilities	-	-	172,413
FUND BALANCES			
Nonspendable	-	-	70,730
Restricted	1,919,513	87,807	4,331,993
Total Fund Balances	<u>1,919,513</u>	<u>87,807</u>	<u>4,402,723</u>
	<u>\$ 1,919,513</u>	<u>\$ 87,807</u>	<u>\$ 4,575,136</u>
Total Liabilities and Fund Balances			

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue				
	Food Service	Donations	Title VI American Indian Education	Cooperative Program	Community Service
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 627,858
Other Local Sources	1,212,504	732,572	-	34,542	420,120
State Sources	40,814	-	-	-	-
Federal Sources	1,080,401	-	29,486	-	-
Total Revenues	<u>2,333,719</u>	<u>732,572</u>	<u>29,486</u>	<u>34,542</u>	<u>1,047,978</u>
EXPENDITURES					
Instruction:					
Regular Instruction	-	182,544	-	-	-
Vocational Instruction	-	40,386	-	-	-
Special Education Instruction	-	15,491	-	-	-
Other Instruction	-	433,265	-	24,497	-
Total Instruction	-	<u>671,686</u>	-	<u>24,497</u>	-
Support Services:					
Pupil Services	-	-	28,837	-	-
Instructional Staff Services	-	2,866	649	-	-
Business Services	-	-	-	-	4,657
Operations and Maintenance of Plant	-	245	-	-	4,792
Pupil Transportation Services	-	7,132	-	-	-
Food Services	1,915,938	-	-	-	-
Total Support Services	<u>1,915,938</u>	<u>10,243</u>	<u>29,486</u>	<u>-</u>	<u>9,449</u>
Community Service	-	-	-	-	1,025,352
Total Expenditures	<u>1,915,938</u>	<u>681,929</u>	<u>29,486</u>	<u>24,497</u>	<u>1,034,801</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	417,781	50,643	-	10,045	13,177
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(10,045)	-
Total Other Financing Sources (Uses)	-	-	-	<u>(10,045)</u>	-
NET CHANGE IN FUND BALANCES	417,781	50,643	-	-	13,177
Fund Balances - July 1	<u>1,242,683</u>	<u>492,997</u>	<u>-</u>	<u>-</u>	<u>178,122</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,660,464</u>	<u>\$ 543,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,299</u>

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Capital Projects		Total Nonmajor Governmental Funds
	Long-term Capital Improvement	Capital Expansion	
REVENUES			
Property Taxes	\$ -	\$ 265,000	\$ 892,858
Other Local Sources	12,503	-	2,412,241
State Sources	-	-	40,814
Federal Sources	-	-	1,109,887
Total Revenues	12,503	265,000	4,455,800
EXPENDITURES			
Instruction:			
Regular Instruction	-	-	182,544
Vocational Instruction	-	-	40,386
Special Education Instruction	-	-	15,491
Other Instruction	-	-	457,762
Total Instruction	-	-	696,183
Support Services:			
Pupil Services	-	-	28,837
Instructional Staff Services	-	-	3,515
Business Services	-	-	4,657
Operations and Maintenance of Plant	-	212,133	217,170
Pupil Transportation Services	-	-	7,132
Food Services	-	-	1,915,938
Total Support Services	-	212,133	2,177,249
Community Service	-	-	1,025,352
Total Expenditures	-	212,133	3,898,784
EXCESS OF REVENUES OVER (UNDER) EXPENSES	12,503	52,867	557,016
OTHER FINANCING SOURCES (USES)			
Transfers In	50,000	-	50,000
Transfers Out	-	-	(10,045)
Total Other Financing Sources (Uses)	50,000	-	39,955
NET CHANGE IN FUND BALANCES	62,503	52,867	596,971
Fund Balances - July 1	1,857,010	34,940	3,805,752
FUND BALANCES - END OF YEAR	\$ 1,919,513	\$ 87,807	\$ 4,402,723

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

Board of Education
Pulaski Community School District
Pulaski, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pulaski Community School District, Pulaski, Wisconsin (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pulaski Community School District’s Response to Finding

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

FEDERAL AND STATE AWARDS



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

Board of Education
Pulaski Community School District
Pulaski, Wisconsin

Report on Compliance for Each Major Federal Program and State Program

Opinion on Each Major Federal and State Program

We have audited Pulaski Community School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Federal Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF AGRICULTURE								
<i>Child Nutrition Cluster</i>								
<i>Noncash Assistance (Commodities)</i>								
Donated Food Program	10.555	WI DPI	2022-054613-DPI-NSL-547	\$ -	\$ 161,395	\$ -	\$ 161,395	\$ -
<i>Cash Assistance</i>								
School Breakfast Program	10.553	WI DPI	2022-054613-DPI-SB-546	(122,649)	238,615	3,032	118,998	-
School Lunch Program	10.555	WI DPI	2022-054613-DPI-NSL-547	(295,399)	990,850	15,547	710,998	-
NSL Snack Program	10.555	WI DPI	2022-054613-DPI-SK_NSL-561	(967)	967	-	-	-
Summer Food Service Program #586 2022-2023	10.559	WI DPI	2022-054613-DPI-SFSP-561	(39,173)	87,515	40,667	89,009	-
Total <i>Child Nutrition Cluster</i> and U.S. Department of Agriculture				(458,188)	1,479,342	59,246	1,080,400	-
U.S. DEPARTMENT OF EDUCATION								
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States	84.027	WI DPI	2022-054613-DPI- FLOW-341	(68,893)	68,893	-	-	-
Special Education Grants to States	84.027	WI DPI	2023-054613-DPI- FLOW-341	-	641,206	167,012	808,218	-
Special Education Preschool Grants	84.173	WI DPI	2022-054613-DPI-IDEA-PRESCH-347	(21,572)	21,572	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2023-054613-DPI-IDEA-PRESCH-347	-	25,112	-	25,112	-
Total <i>Special Education Cluster</i> (IDEA)				(90,465)	756,783	167,012	833,330	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2022-054613-DPI-TIA-141	(65,766)	65,766	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2023-054613-DPI-TIA-141	-	103,921	29,513	133,434	-
Total Title I Grants to Local Educational Agencies				(65,766)	169,687	29,513	133,434	-
Career and Technical Education - Basic Grants to States	84.048	CESA 7	N/A	-	18,023	-	18,023	-
Title VII Indian Education	84.060	Direct Program	N/A	-	29,486	-	29,486	-

See accompanying notes to Schedules of Federal and State Awards.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Federal Expenditures	Passed Through To Subrecipients
ESEA Title III - A English language Acquisition	84.365	Luxemburg Casco Schools	N/A	(3,117)	6,218	-	3,101	-
ESEA Title II - Improving Teacher Quality Grant	84.367	WI DPI	2022-054613-DPI-TIIA-365	(9,565)	9,565	-	-	-
ESEA Title II - Improving Teacher Quality Grant	84.367	WI DPI	2023-054613-DPI-TIIA-365	-	44,804	6,856	51,660	-
Total ESEA Title II - Improving Teacher Quality Grant				(9,565)	54,369	6,856	51,660	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2022-054613-DPI-TIV-A-381	(3,160)	3,160	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2023-054613-DPI-TIV-A-381	-	10,446	5,752	16,198	-
Total Student Support and Academic Enrichment Program				(3,160)	13,606	5,752	16,198	-
COVID-19 Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2022-054613-DPI-ESSERFII-163	(10,239)	553,965	364,150	907,876	-
COVID-19 Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2023-054613-DPI-ESSERFII-165	-	446,481	166,068	612,549	-
Total COVID-19 Elementary and Secondary School Emergency Relief Fund				(10,239)	1,000,446	530,218	1,520,425	-
Total U.S. Department of Education				(182,312)	2,048,618	739,351	2,605,657	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	N/A	(6,714)	385,855	12,142	391,283	-
Total Expenditures of Federal Awards				<u>\$ (647,214)</u>	<u>\$ 3,913,815</u>	<u>\$ 810,739</u>	<u>\$ 4,077,340</u>	<u>\$ -</u>
Reconciliation to the Basic Financial Statements								
							\$ 4,473,255	
Federal Sources								
Federal Awards Included in Intermediate Sources							21,124	
Less: Federal Sources not Considered Federal Awards								
Back to School Supplemental Aid							(355,120)	
Get Kids Ahead							(61,919)	
Total Expenditures of Federal Awards							<u>\$ 4,077,340</u>	

See accompanying notes to Schedules of Federal and State Awards.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred 7/1/2022	Cash Received (Refunded)	Accrued (Deferred) 6/30/2023	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Handicapped Education and School-Aged Parent Act	255.101	Direct Program	054613-100	\$ -	\$ 2,100,240	\$ -	\$ 2,100,240	\$ -
CESA #8	255.101	CESA #8	N/A	-	68,478	-	68,478	-
Brown County	255.101	Brown County, WI	N/A	-	21,846	-	21,846	-
State School Lunch Aid	255.102	Direct Program	054613-107	-	19,392	-	19,392	-
Common School Library Aid	255.103	Direct Program	054613-104	-	199,788	-	199,788	-
General Transportation Aid	255.107	Direct Program	054613-102	-	197,152	-	197,152	-
WI School Day Milk Program	255.115	Direct Program	054613-109	-	10,509	-	10,509	-
Equalization Aid	255.201	Direct Program	054613-116	-	28,022,093	-	28,022,093	-
Special Education Transition Readiness	255.257	Direct Program	054613-181	-	37,495	20,872	58,367	-
School Based Mental Health Services	255.297	Direct Program	054613-177	(44,880)	105,961	28,118	89,199	-
Peer Review and Mentoring Grant 387	255.301	Direct Program	054613-141	(11,718)	30,123	6,595	25,000	-
School Breakfast Program	255.344	Direct Program	054613-108	-	10,913	-	10,913	-
Early College Credit Program	255.445	Direct Program	054613-155	-	1,612	-	1,612	-
Student Achievement Guarantee in Education	255.504	Direct Program	054613-160	-	299,742	-	299,742	-
Educator Effectiveness Grant 583	255.940	Direct Program	054613-154	-	24,480	-	24,480	-
Per Pupil Adjustment Aid	255.945	Direct Program	054613-113	-	2,866,346	-	2,866,346	-
Career and Technical Education Incentive Grant 577	255.950	Direct Program	054613-171	-	110,836	-	110,836	-
Assessments of Reading Readiness	255.956	Direct Program	054613-166	-	7,686	-	7,686	-
Robotics League Participation 575	255.959	Direct Program	054613-167	-	1,840	-	1,840	-
Special Education Transition Incentive Grant 637	255.960	Direct Program	054613-168	-	18,152	-	18,152	-
Total Wisconsin Department of Public Instruction				<u>(56,598)</u>	<u>34,154,684</u>	<u>55,585</u>	<u>34,153,671</u>	<u>-</u>
Total State Awards				<u>\$ (56,598)</u>	<u>\$ 34,154,684</u>	<u>\$ 55,585</u>	<u>\$ 34,153,671</u>	<u>\$ -</u>

Reconciliation to the Basic Financial Statements	
State Sources	\$ 34,121,296
State Awards Included In Intermediate and Interdistrict Sources	157,507
Less: State Sources not Considered State Financial Assistance	
Payment in Lieu of Taxes and Other Revenues	(2,030)
State Tax Computer Aid and Personal Property Aid	(80,920)
School Health Workforce Development Nursing Grant	(29,247)
WI Department of Justice School Safety Grant	(12,935)
Total Expenditures of State Awards	<u>\$ 34,153,671</u>

See accompanying notes to Schedules of Federal and State Awards.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Pulaski Community School District (the District) are presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Public Instruction.

The schedules of expenditures of federal and state awards include all federal and state awards of the District. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2023 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed.

NOTE 4 OVERSIGHT AGENCIES

The federal and state oversight agencies for the District are as follows:

Federal - U.S. Department of Education
State - Wisconsin Department of Public Instruction

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ no
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x no
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

84.027/84.173

84.425D

Name of Federal Program or Cluster

Special Education Cluster (IDEA)

COVID-19 Elementary and Secondary School Emergency Relief

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk auditee?

 x yes _____ no

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified
that are not considered to be
material weakness(es)? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes x no

Identification of Major State Projects

State ID Number	Name of State Project
255.201	General Equalization
255.945	Per Pupil Aid

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 250,000

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Finding No. 2023–001

Preparation of Annual Financial Report

Repeat Finding of 2022-001

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the District's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the District had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

Criteria or specific requirement: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect, and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.

Effect: Without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Cause: District management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Recommendation: We recommend the District continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the District's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.

Views of responsible officials and planned corrective actions: Management believes that the cost of hiring staff to prepare year-end adjusting and closing entries and to prepare financial reports outweighs the benefits to be received. Management will have appropriate staff review the closing entries for governmental activities along with the prepared financial reports, as recommended, to obtain an adequate understanding of the District's financial report

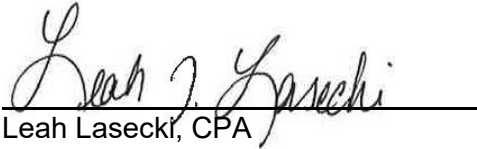
**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Federal and State Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 *CFR* 200.516(a) and the *State Single Audit Guidelines* issued by Wisconsin Department of Administration for the year ended June 30, 2023.

**PULASKI COMMUNITY SCHOOL DISTRICT PULASKI COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section IV – Other Issues

1. Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? No
2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
- a. Department of Health Services No
 - b. Department of Public Instruction No
 - c. Department of Justice No
 - d. Department of Workforce Development No
3. Was a management letter or other document conveying audit comments issued as a result of this audit? No
4. Name and signature of partner 
Leah Lasecki, CPA
5. Date of report December 4, 2023



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