

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 3, 2026

NEW ISSUE

Not Bank Qualified

Moody's Rated "Aa3"
(See "RATING" herein)

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Notes shall NOT be "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

\$11,000,000
MANITOWOC PUBLIC SCHOOL DISTRICT
Manitowoc County, Wisconsin
General Obligation Promissory Notes

Dated: April 8, 2026

Due: As shown herein

The \$11,000,000 General Obligation Promissory Notes (the "Notes") will be dated April 8, 2026 and will be in the denomination of \$5,000 each or any multiple thereof. The Notes will mature serially on April 1 of the years 2028 through 2037 and on April 1, 2046. Interest shall be payable commencing on April 1, 2027 and semi-annually thereafter on October 1 and April 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as paying agent for the Notes.

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Manitowoc Public School District, Wisconsin (the "District") for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a district-wide school facility improvement project consisting of: capital maintenance, remodeling, building infrastructure, systems, security and site improvements at district facilities; and acquisition of furnishings, fixtures and equipment. (See "THE FINANCING PLAN" herein.)

The Notes maturing on April 1, 2036 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2035 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:



The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also act as Disclosure Counsel for the District. The anticipated settlement date for the Notes is on or about April 8, 2026.

SALE DATE: MARCH 10, 2026

SALE TIME: 9:30 A.M. CT

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

MATURITY SCHEDULE*

\$11,000,000 General Obligation Promissory Notes

Dated: April 8, 2026 Due: April 1, 2028 through 2037 and April 1, 2046

Callable: April 1, 2035

<u>(April 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	CUSIP ⁽¹⁾ Base <u>563609</u>
2028	\$695,000			
2029	850,000			
2030	895,000			
2031	940,000			
2032	990,000			
2033	1,040,000			
2034	1,090,000			
2035	1,150,000			
2036	1,210,000			
2037	305,000			
2038-2045	--			
2046	1,835,000			

⁽¹⁾CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

**MANITOWOC PUBLIC SCHOOL DISTRICT
(Manitowoc County, Wisconsin)**

SCHOOL BOARD

Paul Hansen, President*
Keith Shaw, Vice President/Clerk
Dr. Kerry Trask, Treasurer
Christopher Able, Member*
Mary Lofy Blahnik, Member
David Bowman, Member
Ann Holsen, Member

ADMINISTRATION

Lee Thennes, Superintendent
Nathan Mielke, Director of Business Services
Katie Eichmann, Director of Secondary Curriculum/Instruction & Student Services
Stacie Opahle, Director of Human Resources
Heidi Schroderus, Director of Elementary Curriculum & Instruction

PROFESSIONAL SERVICES

School District Attorney: von Briesen & Roper, s.c., Oshkosh, Wisconsin
Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Disclosure Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent: Associated Trust Company, National Association, Green Bay, Wisconsin

**Running for re-election on April 7, 2026.*

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Manitowoc Public School District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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SUMMARY

District:	Manitowoc Public School District, Manitowoc County, Wisconsin (the "District").
Issue:	\$11,000,000 General Obligation Promissory Notes (the "Notes").
Dated Date:	April 8, 2026.
Interest Due:	Commencing April 1, 2027 and on each October 1 and April 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	April 1 of the years 2028 through 2037 and on April 1, 2046.
Redemption Provisions:	<p>The Notes maturing on April 1, 2036 and thereafter shall be subject to call and prior payment, at the option of the District, on April 1, 2035 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the District. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.</p> <p>All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)</p>
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a district-wide school facility improvement project consisting of: capital maintenance, remodeling, building infrastructure, systems, security and site improvements at district facilities; and acquisition of furnishings, fixtures and equipment. (See "THE FINANCING PLAN" herein.)
Tax Status:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
Credit Rating:	This issue has been assigned a "Aa3" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
No Bank Qualification:	The Notes shall <u>NOT</u> be "qualified tax-exempt obligations".
Bond Years:	96,451.11 years.
Average Life:	8.768 years.
Record Date:	The 15th day of the calendar month next preceding each interest payment date.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Manitowoc Public School District, Wisconsin (the "District" and the "State" respectively) in connection with the sale of the District's \$11,000,000 General Obligation Promissory Notes (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the School Board (the "Board") and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Award Resolution (defined herein). Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

THE FINANCING PLAN

As the result of a referendum election on April 1, 2025, the District has been authorized to issue general obligation bonds in an amount not to exceed \$25,000,000 for the public purpose of paying the cost of a district-wide school facility improvement project consisting of: capital maintenance, remodeling, building infrastructure, systems, security and site improvements at district facilities; and acquisition of furnishings, fixtures and equipment (the "Project").

Pursuant to Section 67.12(12)(e)2., Wisconsin Statutes, since the purpose and the amount of the borrowing have been approved by the electors, general obligation promissory notes may be issued without any additional approval by the electors.

Pursuant to a resolution adopted by the Board on June 10, 2025, the District awarded the sale of \$14,000,000 General Obligation Promissory Notes, dated July 10, 2025 (the "2025 Notes"), to provide financing for a portion of the Project. The 2025 Notes are callable at par on April 1, 2034 or any date thereafter.

The proceeds from the sale of the Notes will be used to provide financing for the remaining portion of the cost of the Project.

REDEMPTION PROVISIONS

Optional Redemption

The Notes maturing on April 1, 2036 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2035 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption.

Mandatory Redemption

All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder as provided in the Official Notice of Sale.

Such term bonds shall be subject to mandatory sinking fund redemption. Such term bonds shall have a stated maturity or maturities of April 1, in such years as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity of 100% of the principal amount thereof, plus accrued interest to the redemption date or dates and in amounts consistent with the maturity schedule on the inside cover of this Official Statement.

ESTIMATED SOURCES AND USES*

Sources of Funds	
Par Amount of Notes	\$11,000,000.00
Reoffering Premium	975,949.30
Total Sources of Funds:	<u>\$11,975,949.30</u>
Uses of Funds	
Deposit to Project Construction Fund	\$11,000,000.00
Bid Premium for Deposit to Debt Service Fund	714,124.30
Costs of Issuance (Including Underwriter's Discount)	261,825.00
Total Uses of Funds:	<u>\$11,975,949.30</u>

**Preliminary, subject to change.*

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS

The Constitution and the laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of said bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such notes or bonds.

Refunding Bonds

In addition to being authorized to issue bonds, the District is authorized to borrow money using refunding bonds for refunding existing debt. To evidence such indebtedness, the District must issue to the lender its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the District. Refunding bonds are not subject to referendum.

Promissory Notes

The District is also authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding 20 years following the date of said notes. Such notes constitute a general obligation of the District. Notes issued by the District to refinance or refund outstanding promissory notes issued by the District must be payable within 10 years and no later than 20 years following the original date of such notes.

Bond or Note Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the District is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be a general obligation of the District, and do not constitute an indebtedness of the District, nor a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due, and (b) proceeds to be derived from

the issuance and sale of general obligation bonds or promissory notes which proceeds constitute a special trust fund to be held and expended solely for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

Temporary Borrowing

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the then current school year. No such loan or loans shall be made to extend beyond November 1 of the following year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the District for the current school year in which the loan is made.

Debt Limit

The District has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed ten percent of the equalized value of taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption "INDEBTEDNESS OF THE DISTRICT - Debt Limit," herein.

THE RESOLUTIONS

The following are summaries of certain provisions of the Resolutions adopted by the Board pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Initial Resolution; Referendum Election; Project Financing to Date

By way of a resolution adopted on January 14, 2025 (the "Initial Resolution"), the Board authorized the issuance of general obligation bonds in an amount not to exceed \$25,000,000 for the public purpose of paying the cost of the Project.

By way of a resolution also adopted on January 14, 2025, the Board provided for a referendum election to be held on April 1, 2025. The District gave notice to the electors relating to the bond referendum at which time the electors would vote to approve or reject the Initial Resolution.

On April 1, 2025, a referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 8,833 votes were cast "Yes" for approval of the Initial Resolution and 5,871 votes were cast "No" for rejection of the Initial Resolution.

By way of resolution adopted on June 10, 2025, the Board awarded the sale of the 2025 Notes to provide financing for a portion of the Project.

The Award Resolution

By way of a resolution to be adopted on March 10, 2026 (the "Award Resolution"), the Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2027 through 2046 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

THE DISTRICT

The administration of the District is exercised by a Board. The Board consists of seven members who are elected at large for staggered three-year terms of office. The Board elects a President, Vice President and Clerk and Treasurer from among its members for one-year terms. The Board is empowered to employ a Superintendent to conduct the affairs and programs of the District.

Unified school districts hold an annual public hearing prior to adopting the budget for the ensuing year. The Board shall present at the annual hearing a full, itemized written report. The report shall state all receipts and expenditures of the District since the last annual hearing, the current cash balance of the District, the amount of the deficit and the bills payable of the District, the amount necessary to be raised by taxation for the support of the schools of the District for the ensuing year and the amount required to pay the principal and interest of any debt due during the ensuing year. The report shall also include the budget summary. The Board has the power and duty, among other things, to make rules for the organization, gradation, and government of the schools of the District, enter into agreements with other governmental units, tax for operation and maintenance, engage employees, including a Superintendent, and purchase school equipment.

The Board

Name	Expiration of Term
Paul Hansen, President	April, 2026*
Keith Shaw, Vice President/Clerk	April, 2027
Dr. Kerry Trask, Treasurer	April, 2027
Christopher Able, Member	April, 2026*
Mary Lofy Blahnik, Member	April, 2028
David Bowman, Member	April, 2028
Ann Holsen, Member	April, 2028

**Running for re-election on April 7, 2026.*

Source: The District.

Administration

Name	Title	Years of Service
Lee Thennes	Superintendent	11
Nathan Mielke	Director of Business Services	1*
Katie Eichmann	Director of Secondary Curriculum/Instruction & Student Services	19
Stacie Opahle	Director of Human Resources	1*
Heidi Schroderus	Director of Elementary Curriculum & Instruction	13

**Mr. Nathan Mielke was previously the Director of Technology for Marquette University High School for seven years and Ms. Stacie Opahle was previously the Executive Director of CESA 7 for three years and the Principal of Jefferson Elementary and Madison Elementary within the Manitowoc Public School District for four and three years respectively.*

Source: The District.

District Facilities

<u>Facility</u>	<u>Year of Construction</u>	<u>Year(s) of Addition(s)</u>
Riverview Learning Community	1970	2002/2006
Benjamin Franklin Elementary School	1953	1957/1992/2010
Andrew Jackson Elementary School*	1953	1955/1962/1998
Jefferson Elementary School	1996	--
Madison Elementary School*	1955	1977/1998
James Monroe Elementary School	1964	1980/1992
McKinley Academy	1969	--
Washington Middle School	1936	1940/1957/1988
Wilson Middle School	1931	1958/1993
Lincoln High School (Main building)	1923	1942/1955/1983/1999/2001
Lincoln High School (Vitx Mem. Natatorium)	1930	1999
Lincoln High School (J.F.K. Physical Education Building)	1961	1999
Administration Office*	1954	--
Multi-Service Building	1985	2004
Vehicle Storage Building	1974	--
Garage and Storage Building	1923	--
Rahr Memorial School Forest Lodge	1955	--
Rahr Memorial School Forest Classroom and Museum Building	1977	--
Rahr Memorial School Forest Multi-Use Building	1963	--
Rahr Memorial School Forest Observatory	1970	--
Rahr Memorial School Forest Classroom Building #2	2006	--

**Following the 2025-26 school year, Andrew Jackson Elementary School and Madison Elementary School will be permanently closed. The District also plans to sell the Administrative Office next fiscal year.*

Source: The District.

School Enrollments

<u>Year</u>	<u>Pre-K through 12th Grade Total*</u>
2021-22	4,718
2022-23	4,680
2023-24	4,616
2024-25	4,579
2025-26	4,528
2026-27**	4,363
2027-28**	4,289
2028-29**	4,242
2029-30**	4,175
2030-31**	4,125

*Full-Time Equivalent (“FTE”).

**Projected enrollments are based on District estimates using historical trends, survival ratios and declining birth rates in the District.

Source: The District.

Employment Relations

<u>Department</u>	<u>Number of Employees*</u>
Teachers	388
Administration	22
Instructional Aides	155
Secretaries	43
Custodians	50
Other	32
TOTAL	<u>690</u>

*Headcount.

Source: The District.

Labor Contracts

Employee groups of the District are represented by the following bargaining unit:

<u>Organization</u>	<u>Employee Group Represented</u>	<u>Contract Expiration*</u>
Manitowoc Education Association	Teachers	June 30, 2026

*Contract may cover base wages only.

The District considers its relationship with the employees to be very good.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit⁽¹⁾.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

⁽¹⁾On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, the Board approved Employee Handbooks, which set forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbooks' terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

Pension Plan

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. During the fiscal years ended June 30, 2023, June 30, 2024 and June 30, 2025 ("Fiscal Year 2025") the District's portion of contributions to WRS (not including any employee contributions) totaled \$2,614,718 and \$2,680,843 and \$2,909,972, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2025, the District reported a liability of \$3,331,670 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.20275926% of the aggregate WRS net pension liability as of December 31, 2024.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees.

For more detailed information regarding the WRS and such actuarial assumptions, see Note 5 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

Supplemental Pension Benefits

The District provides supplemental pension benefits to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 6 retirees receiving benefits and 721 active eligible plan members as of June 30, 2023, the date of the latest actuarial valuation.

Pension benefit calculations are required to be updated every two years and be prepared in accordance with GASB 68 and Statements No. 67 and No. 73 of the Governmental Accounting Standards Board. An actuarial study for the plan was most recently completed by Foster & Foster Consulting Actuaries, Inc. (the "Actuary") in October 2024 with an actuarial valuation date of June 30, 2023. The Actuary completed a table updates report in May 2025 with a measurement date of June 30, 2024. The District will have a new actuarial study prepared in 2026.

For Fiscal Year 2025, District contributions to the plan totaled \$46,390. The District's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

For Fiscal Year 2025 (measured as of June 30, 2024), the plan's total pension liability was \$914,459 and the plan fiduciary net position was \$0, resulting in a net pension liability of \$914,459.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 7 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

Other Post-Employment Benefits

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 37 retirees receiving benefits and 618 active eligible plan members as of June 30, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board. An actuarial study for the plan was most recently completed by the Actuary in October 2024 with an actuarial valuation date of June 30, 2023. The Actuary completed a table updates report in May 2025 with a measurement date of June 30, 2024. The District will have a new actuarial study prepared in 2026.

For Fiscal Year 2025, District contributions to the plan totaled \$205,383. The District's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

For Fiscal Year 2025 (measured as of June 30, 2024), the plan's total OPEB liability was \$4,507,866 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$4,507,866.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in 4 actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 9 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

The District also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2025, the District's portion of contributions to the LRLIF totaled \$12,406. For Fiscal Year 2025, the District reported a liability of \$2,346,267 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the District's share of contributions to the LRLIF relative to the contributions of all participating employers. The District's proportion was 0.59972200% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 6 in "Appendix A – Basic Financial Statements and Related Notes for the Year Ended June 30, 2025" attached hereto.

GENERAL INFORMATION

Location

The District is located in eastern Wisconsin along the shores of Lake Michigan and encompasses an area of approximately 91 square miles in Manitowoc County. The District is comprised entirely of the City of Manitowoc and the Town of Manitowoc and portions of the City of Two Rivers, the Towns of Centerville, Kossuth, Manitowoc Rapids, Newton, and Two Rivers. The area is easily assessable via Interstate 43 and U.S. Highway 151. The District is approximately 75 miles north of Milwaukee, 45 miles southeast of Green Bay and 150 miles north of Chicago

Education

The District offers a comprehensive program for students in pre-kindergarten through the 12th grade. The District operates a pre-kindergarten through kindergarten center, six elementary schools, two middle schools, one high school, an administration office, a special education house and three other specialized buildings. In addition, at the Rahr Memorial School Forest, the District operates a lodge, two classroom buildings, a multi-use building and an observatory. Enrollment for the 2025-26 school year is 4,528 FTE students. The District’s 2024 estimated population is 40,263* and the District has 690 employees.

*Source: U.S. Census Bureau.

Post Secondary Education

Post-secondary education is provided by the University of Wisconsin - Green Bay, Manitowoc Campus which offers liberal arts and pre-professional curriculum for freshmen and sophomores to begin their studies before transferring to four-year undergraduate public or private college. Within commuting distance, Lakeland University in Sheboygan is a private, liberal arts college. In addition to offering four-year degree programs, Lakeland University offers adult continuing education. Lakeshore Technical College also offers associate degree programs, vocational diploma and certificate programs for residents.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District	Manitowoc County	City of Manitowoc
Estimate, 2025	(1)	80,985	34,525
Estimate, 2024	40,263	80,932	34,473
Estimate, 2023	40,173	80,912	34,475
Estimate, 2022	40,095	81,442	34,722
Census, 2020	40,187	81,359	34,626

(1) Data not yet available.

Source: U.S. Census Bureau and Wisconsin Department of Administration, Demographic Services Center.

Adjusted Gross Income Per Tax Return

	<u>State of Wisconsin</u>	<u>Manitowoc County</u>	<u>City of Manitowoc</u>
2024	\$76,638	\$70,465	\$68,029
2023	73,001	65,527	61,584
2022	70,548	62,885	57,460
2021	66,369	58,748	56,588
2020	61,518	53,446	49,191

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Unemployment Rate

	<u>State of Wisconsin</u>	<u>Manitowoc County</u>
December, 2025 ⁽¹⁾	3.0%	3.0%
December, 2024	2.9	2.8
Average, 2024 ⁽¹⁾	3.0%	2.8%
Average, 2023	2.8	2.7
Average, 2022	2.8	2.6
Average, 2021	3.8	3.4
Average, 2020	6.4	6.2

⁽¹⁾Preliminary.

Source: Wisconsin Department of Workforce Development.

Residential Building Permit Valuations

<u>Year</u>	<u>City of Manitowoc</u>	
	<u>Number</u>	<u>Valuation</u>
2025 ⁽¹⁾	32	\$15,335,789
2024	31	12,359,944
2023	28	10,578,867
2022	18	6,946,443
2021	21	19,857,017

⁽¹⁾As of December 2025.

Source: U.S. Census Bureau

Largest Employers

The largest employers in the District are listed below.

Employer	Type of Business	Number of Employees
Lakeside Foods Inc.	Food manufacturer	745 ⁽¹⁾
Holy Family Memorial Medical Center	Health care	728
The District	Education	690
Manitowoc County	Government	543 ⁽²⁾
Franciscan Sisters - Christian	Church/convent	541
Jagemann Stamping Co.	Metal stamping services	350
Parker Hose Products (Parker Hannifin Corp.)	Fluid power valve and hose fitting manufacturer	350
Wisconsin Aluminum Foundry Co., Inc.	Aluminum, brass & bronze castings, sand castings, permanent mold	350
Federal-Mogul Corporation	Motorparts manufacturer	340
St. Mary's at Felician Village	Skilled nursing home	332

⁽¹⁾Includes full-time and part-time employees and Cher-Make Sausage. Seasonal employees will work over the summer, which are not included in the total above.

⁽²⁾Includes 527 full-time and 16 part-time employees.

Source: City of Manitowoc final official statement dated March 28, 2025, the District and Data Axle Genie (www.salesgenie.com).

Largest Taxpayers

Name	Type of Property	2025 Assessed Valuation	2025 Equalized Valuation
Olin Winchester LLC	Manufacturing	\$31,388,600	\$31,879,200
Setzer Properties ZGBY LLC (FedEx)	Logistics	29,291,000	29,748,900
Holy Family Memorial Inc.	Healthcare	26,614,500	27,030,500
Lakeside Freezer LLC	Food manufacturer	18,790,500	19,084,300
Manitowoc Lake Breeze Apartments LLC	Apartments	17,359,500	17,630,900
BayCare Health Systems LLC	Healthcare	15,436,000	15,677,300
Alliance Laundry Systems, LLC	Manufacturing	13,922,200	14,139,900
Meijer Stores Limited Partnership	Retail	13,752,500	13,967,600
RCG-Manitowoc PM LLC	Real estate	13,624,000	13,837,000
Lakeview RL Properties LLC	Rental housing	12,353,900	12,547,000
	TOTAL	<u>\$192,532,700</u>	<u>\$195,542,600</u>

The above taxpayers represent 4.10% of the District's 2025 Equalized Value (TID IN) (\$4,771,438,092).

Source: City of Manitowoc City Attorney.

TAX LEVIES, RATES AND COLLECTIONS

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day

of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes, the District receives 100 percent of the real estate taxes it levies.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District.

Levy Year	Collection Year	District Tax Rate	District Levy	Uncollected Taxes As of August 20 th of Each Year	Percent of Levy Collected
2025	2026	\$6.55	\$29,606,534	-In process of collection-	
2024	2025	7.05	28,743,097	-0-	100.00%
2023	2024	6.65	25,247,086	-0-	100.00
2022	2023	5.51	18,350,898	-0-	100.00
2021	2022	7.42	21,140,700	-0-	100.00

Source: Wisconsin Department of Public Instruction.

2025-26 Proportionate Amounts of Local Tax Revenue Per Municipality Based on 2025 Equalized Valuation

Municipality	2025 Equalized Valuation (TID OUT)	Percent of Levy	Amount of Levy
Town of Centerville	\$52,435,726	1.159460%	\$343,276
Town of Kossuth	149,752,185	3.311324	980,368
Town of Manitowoc	170,760,100	3.775851	1,117,899
Town of Manitowoc Rapids	287,139,126	6.349226	1,879,786
Town of Newton	331,407,371	7.328087	2,169,593
Town of Two Rivers	38,880,333	0.859723	254,534
City of Manitowoc	3,468,006,700	76.684638	22,703,663
City of Two Rivers	24,045,351	0.531691	157,415
TOTAL	\$4,522,426,892	100.0000000%	\$29,606,534

Source: Wisconsin Department of Revenue.

EQUALIZED VALUATIONS

The State of Wisconsin, Department of Revenue, Supervisor of Assessments Office determines all equalized valuations of property in the State of Wisconsin. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Residential and commercial properties located within the District are assessed annually by the local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2021 through 2025. The District's equalized valuation (TID IN) has increased by 62.40 percent since 2021 with an average annual increase of 12.89 percent.

Year	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2025	\$4,771,438,092	\$4,522,426,892
2024	4,322,354,637	4,075,573,237
2023	3,952,608,950	3,796,172,650
2022	3,457,133,769	3,331,264,769
2021	2,938,043,191	2,849,652,491

Source: Wisconsin Department of Revenue.

Tax Increment Districts

The Cities of Manitowoc and Two Rivers have created Tax Increment Districts ("TIDs") under Wisconsin Statutes 66.1105. TID valuations totaling \$249,011,200 have been excluded from the District's tax base for 2025.

Municipality	TID #	Base Year	Base Value	2025 Value	Increment
City of Manitowoc	16	2003	\$23,530,300	\$51,670,600	\$28,140,300
City of Manitowoc	18	2015	12,518,200	46,730,100	34,211,900
City of Manitowoc	19	2017	52,252,200	94,642,400	42,390,200
City of Manitowoc	20	2018	19,633,700	63,165,000	43,531,300
City of Manitowoc	21	2018	19,723,100	86,987,700	67,264,600
City of Manitowoc	22	2020	3,113,300	13,030,600	9,917,300
City of Manitowoc	23	2022	10,791,200	34,117,000	23,325,800
City of Manitowoc	24	2024	2,270,200	2,500,000	229,800
City of Two Rivers	14	2021	0	0	0
				TOTAL	<u>\$249,011,200</u>

Source: Wisconsin Department of Revenue.

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INDEBTEDNESS OF THE DISTRICT

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the District, including principal and interest payments due on existing debt, as well as debt service on the Notes. Interest on the Notes has been estimated using an average rate of 4.75 percent. The bond years are 96,451.11 years and the average life is 8.768 years.

Year	Outstanding Bonds and Notes		The Notes		Total Debt Service Requirements*
	Principal	Interest	Principal*	Interest*	
2026		\$814,066			\$814,066
2027		664,544		\$799,537	1,464,081
2028		664,544	\$695,000	522,650	1,882,194
2029		664,544	850,000	484,025	1,998,569
2030		664,544	895,000	440,400	1,999,944
2031		664,544	940,000	394,525	1,999,069
2032		664,544	990,000	346,275	2,000,819
2033		664,544	1,040,000	295,525	2,000,069
2034		664,544	1,090,000	242,275	1,996,819
2035		664,544	1,150,000	186,275	2,000,819
2036		664,544	1,210,000	125,763	2,000,306
2037	\$970,000	640,294	305,000	85,994	2,001,288
2038	1,340,000	582,544	0	77,988	2,000,531
2039	1,415,000	513,669	0	77,988	2,006,656
2040	1,495,000	444,656	0	77,988	2,017,644
2041	1,580,000	375,469	0	77,988	2,033,456
2042	1,665,000	301,416	0	77,988	2,044,403
2043	1,755,000	221,231	0	77,988	2,054,219
2044	1,845,000	135,731	0	77,988	2,058,719
2045	1,935,000	45,956	0	77,988	2,058,944
2046	0	0	1,835,000	38,994	1,873,994
	14,000,000	10,720,469	11,000,000	4,586,137	40,306,606
Less 2026 Payments	0	0	0	0	(814,066)
TOTAL	\$14,000,000	\$9,906,403	\$11,000,000	\$4,586,137	\$39,492,540

*Preliminary, subject to change.

Other Financing

The District has not borrowed for short-term cash flow purposes in the past five years, and the District currently does not expect to borrow for short-term cash flow purposes in the foreseeable future.

Future Financing

The District currently has no plans to issue additional debt in the next twelve months.

Default Record

The District has no record of default on any prior debt repayment obligations. The District called certain portions of its then-outstanding General Obligation Promissory Notes, dated July 2, 2014, for early redemption on January 3, 2022, but payment was not made until January 4, 2022 due to a District error in processing the payment.

Overlapping and Underlying Indebtedness

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

Name of Entity	Amount of Debt (Net of 2026 Principal Payments)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Lakeshore Technical College District	\$28,420,000	16.92%	\$4,808,664
Manitowoc County	26,490,000	46.54	12,328,446
City of Manitowoc*	67,477,015	100.00	67,477,015
City of Two Rivers	15,441,616	2.25	347,436
Total Towns	518,499	Varies	283,522
Total Sanitary Districts	70,871	100.00	70,871
TOTAL	\$138,418,001		\$85,315,954

*Includes the City of Manitowoc’s upcoming General Obligation Promissory Notes, which are expected to close April 20, 2026.

NOTE: This summary may not reflect all of the District’s outstanding overlapping and underlying indebtedness.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org, the Wisconsin Department of Public Instruction, the Wisconsin Department of Revenue 2024 Municipal Debt Margins report and direct inquiries.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2026 principal payments.

2025 Equalized Valuation as certified by Wisconsin Department of Revenue	\$4,771,438,092
Direct Bonded Indebtedness Including the Notes	\$25,000,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes	\$110,315,954
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.52%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	2.31%
Population of District (2024 Estimate)*	40,263
Direct Bonded Indebtedness Per Capita	\$620.92
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$2,739.88

*U.S. Census Bureau.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed ten percent of the equalized value of property in the District. The table below reflects direct bonded indebtedness as of the date of the closing of the Notes and is a comparison of the outstanding indebtedness of the District as a percentage of the applicable debt limit.

Equalized Valuation (2025) as certified by Wisconsin Department of Revenue	\$4,771,438,092
Legal Debt Percentage Allowed	<u>10.00%</u>
Legal Debt Limit	\$477,143,809
Direct Bonded Indebtedness Outstanding Including the Notes	<u>\$25,000,000</u>
Unused Margin of Indebtedness	\$452,143,809
Percent of Legal Debt Incurred	5.24%
Percentage of Legal Debt Available	94.76%

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold an annual hearing thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each department, activity and reserve account of the District during the ensuing year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each school to their respective principals, who thereafter review and revise such requests and submit them, with their recommendations, to the Superintendent of the District. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the annual hearing is held and finalized in October.

**GENERAL FUND SUMMARY
FOR YEARS ENDED JUNE 30**

	2026 BUDGET ⁽¹⁾	2025 ACTUAL ⁽¹⁾	2024 ACTUAL ⁽¹⁾	2023 ACTUAL ⁽¹⁾	2022 ACTUAL ⁽¹⁾
Revenues					
Local Sources	\$29,815,500	\$29,934,379	\$26,341,169	\$18,143,848	\$21,546,857
Interdistrict Sources	1,060,852	921,914	900,696	988,165	855,684
Intermediate Sources	172,425	150,838	84,862	167,236	52,171
State Sources	52,484,972	51,777,861	47,601,365	47,850,563	45,213,095
Federal Sources	4,296,328	3,844,865	5,130,277	10,071,552	7,940,725
Other	753,760	157,715	1,500,042	314,004	235,607
Total Revenues	88,583,837	86,787,572	81,558,411	77,535,368	75,844,139
Expenditures					
Instruction	44,696,244	45,618,630	42,920,252	43,598,797	40,987,866
Support Service	31,739,363	28,851,626	26,083,692	25,316,718	25,550,228
Non-Program	11,583,379	10,266,517	7,466,159	6,863,988	6,253,673
Debt Service	0	187,339	57,641	275,662	0
Capital Outlay	578,932 ⁽²⁾	257,418	264,034	484,709	595,562
Total Expenditures	88,597,918	85,181,530	76,791,778	76,539,874	73,387,329
Excess of Revenues Over (Under)					
Expenditures	(14,081)	1,606,042	4,766,633	995,494	2,456,810
Other Financing Sources (Uses)					
Operating Transfers In	0	178	0	0	0
Operating Transfers Out	0	0	(2,900,000)	(1,400,000)	(2,231,435)
Sale of Capital Assets	0	78,526	16,675	3,902	291,269
Lease proceeds	0	996,527	0	0	0
SBITA Proceeds	0	0	0	346,949	0
Net Other Financing Sources (Uses)	0	1,075,231	(2,883,325)	(1,049,149)	(1,940,166)
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	(14,081)	2,681,273	1,883,308	(53,655)	516,644
Fund Balances - Beginning of Year	24,345,018	21,663,745 ⁽³⁾	19,780,438	19,834,093	19,317,449 ⁽³⁾
Fund Balances - End of Year	\$24,330,937	\$24,345,018	\$21,663,746	\$19,780,438	\$19,834,093

⁽¹⁾The figures reflect the District's adoption of Statement No. 54 of the Governmental Accounting Standards Board, which includes what was previously separately identified as the special education fund within the general fund.

⁽²⁾The Board approved an additional \$578,932.19 of expenses at their February meeting to complete work on the District's baseball field.

⁽³⁾Restated.

The amounts shown for the fiscal years ended June 30, 2022 through June 30, 2025 are excerpts from audit reports which have been prepared by Hawkins Ash CPAs, LLP, Manitowoc, Wisconsin (the "Auditor"). The amounts shown for fiscal year ending June 30, 2026 are shown on a budgetary basis, and such amounts have been provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with the other financial statements and notes thereto appearing in Appendix A to this Official Statement.

Financial Statements

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial

statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom _____ is acting as Managing Underwriter (the "Underwriter"). Pursuant to the Official Notice of Sale, the Underwriter has agreed to pay certain costs of issuance of the Notes on behalf of the District. The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the inside cover page of this Official Statement plus accrued interest from April 8, 2026, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

RATING

This issue has been assigned a "Aa3" rating by Moody's Investors Service, Inc. Such rating reflects only the views of such organization and explanation of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

REVENUE LIMITS ON WISCONSIN SCHOOL DISTRICTS

The Wisconsin Statutes impose revenue limits on Wisconsin school districts, including the District. The Wisconsin Statutes generally have allowed for some annual per pupil increases without voter approval in certain, but not all years. For example, the Wisconsin Statutes provided for increases of average revenue per pupil by \$175 per pupil in the 2019-20 school year and \$179 per pupil in the 2020-21 school year without the need for voter approval; however, for the 2015-16 through 2018-19 school years and the 2021-22 and 2022-23 school years, school districts were prohibited from increasing their revenue limit without voter approval. The current Wisconsin Statutes provide for an increase of average revenue per pupil by \$325 per pupil for the 2023-24 and 2024-25 school years without

the need for voter approval, which amount is continued under the current Wisconsin Statutes until the year 2425. These provisions of the Wisconsin Statutes may change in the future.

The revenue limit is increased by funds needed for payment of debt service on general obligation debt authorized before the effective date of the revenue limit statutes (August 12, 1993) (the "Effective Date") and debt service on obligations issued to refund such debt. Debt authorized after the Effective Date is exempt from the revenue limits if approved at a referendum, as is debt service on obligations issued to refund such debt.

The Notes were approved at referendum. Accordingly, the payment of debt service on the Notes is not subject to the revenue limits.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Original Issue Discount

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual

accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District's fiscal year ends June 30th.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

In the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting

on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

Quarles & Brady LLP has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Notes. Although, as Disclosure Counsel to the District, Quarles & Brady LLP has assisted the District with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the District and transactions other than the issuance of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities (including school districts such as the District) are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District Clerk has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

AUTHORIZATION

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its President and Clerk, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

MANITOWOC PUBLIC SCHOOL DISTRICT

By /s/ _____
District Clerk

APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

MANITOWOC PUBLIC SCHOOL DISTRICT MANITOWOC COUNTY, WISCONSIN

For Year Ended June 30, 2025

**Hawkins Ash CPAs, LLP
Manitowoc, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2025

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MEMBERS OF THE BOARD OF EDUCATION

President	Paul Hansen
Vice President/Clerk	Keith Shaw
Treasurer	Kerry Trask
Member	Christopher Able
Member	David Bowman
Member	Ann Holsen
Member	Mary Lofy Blahnik
Superintendent	Lee Thennes
Director of Business Services	Nathan Mielke



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Manitowoc Public School District
Manitowoc, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Manitowoc Public School 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 Manitowoc Public School District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 Manitowoc Public School 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 Manitowoc Public School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manitowoc Public School District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2026 on our consideration of the Manitowoc Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Manitowoc Public School District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
January 22, 2026

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



Manitowoc Public School District

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

Total governmental activities revenue was \$90,098,049; including \$28,743,098 of property taxes, \$50,334,666 of general state and federal aid, and \$8,504,173 of charges for services, grants and contributions. Total governmental fund expenditures were \$91,111,206; including \$47,295,263 for direct instruction.

The District's financial status, as reflected in total net position, decreased by \$1,013,157.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

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

Major Features of the District-wide and Fund Financial Statements

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

DISTRICT-WIDE STATEMENTS

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

In the district-wide financial statements, the District's activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, food service, community programs and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

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

The District has one kind of fund:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2025 compared to 2024. The District's combined net position decreased by \$1,013,157. Specific causes of the decrease are discussed later in this document.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2025</u>	<u>2024</u>	<u>2024 - 2025</u>
Current and other assets	\$ 34,683	\$ 35,352	-1.9%
Capital assets	<u>16,352</u>	<u>16,253</u>	0.6%
Total assets	<u><u>51,035</u></u>	<u><u>51,605</u></u>	-1.1%
Deferred outflows of resources	<u>20,323</u>	<u>28,997</u>	-29.9%
Long-term liabilities			
outstanding	15,680	11,062	41.7%
Other liabilities	<u>6,358</u>	<u>8,619</u>	-26.2%
Total liabilities	<u><u>22,038</u></u>	<u><u>19,681</u></u>	12.0%
Deferred inflows of resources	<u>14,310</u>	<u>21,240</u>	-32.6%
Net position:			
Net investment in capital assets	15,511	16,240	-4.5%
Restricted	8,956	10,036	-10.8%
Unrestricted	<u>10,543</u>	<u>13,407</u>	21.4%
Total net position	<u><u>\$ 35,010</u></u>	<u><u>\$ 39,683</u></u>	-11.8%

Note: Totals may not add due to rounding.

Table 2			
Changes in Net Position			
(in thousands of dollars)			
	Governmental Activities		Total % Change
	2025	2024	2024 - 2025
Revenues			
Program revenues			
Charges for services	\$ 487	\$ 667	-27.0%
Operating grants and contributions	8,017	7,681	4.4%
General revenues			
Property taxes	28,743	25,247	13.8%
State and federal aid	50,335	47,323	6.4%
Other	2,516	3,708	-32.1%
Total revenues	<u>90,098</u>	<u>84,626</u>	6.5%
Expenses			
Instruction	47,295	43,367	9.1%
Pupil and instructional services	10,402	8,525	22.0%
Administration and business	18,572	17,894	3.8%
Interest on debt	43	-	n/a
Other	14,799	12,495	18.4%
Total expenses	<u>91,111</u>	<u>82,280</u>	10.7%
Change in net position	(1,013)	2,346	-143.2%
Net position - beginning of year	39,683	37,337	6.3%
Change in accounting principle	(3,659)	-	n/a
Net position - end of year	<u>\$ 35,010</u>	<u>\$ 39,683</u>	-11.8%

Note: Totals may not add due to rounding.

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

The District relies primarily on state and federal aids (56%) and property taxes (32%) to fund governmental activities. These two funding sources make up 88% of the total revenues.

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

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

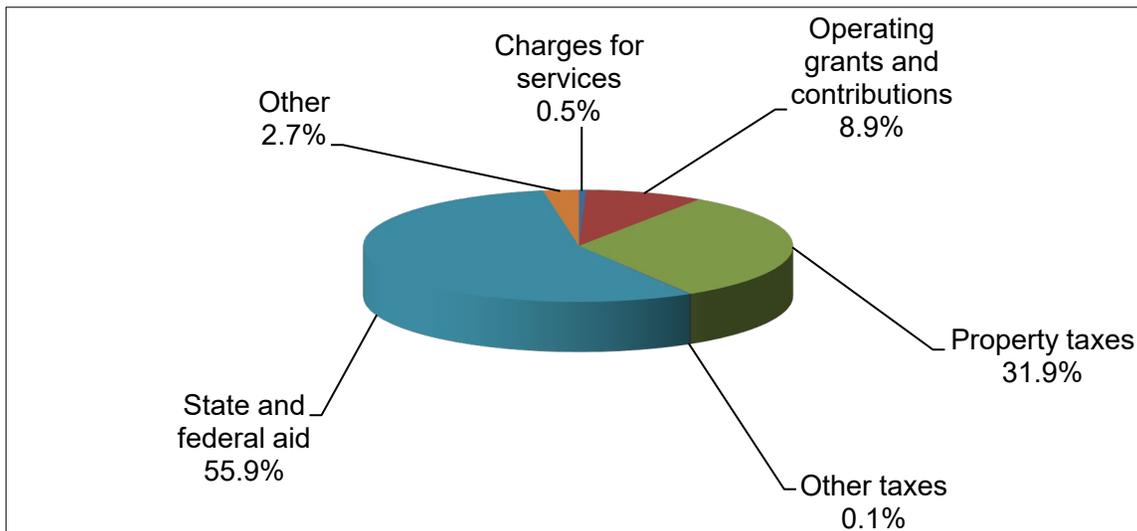
	Net Cost of Services		Total % Change
	2025	2024	2024 - 2025
Instruction	\$ 41,991	\$ 37,980	10.6%
Pupil and instructional services	9,986	8,141	22.7%
Administration and business	16,084	15,661	2.7%
Interest on debt	43	-	n/a
Other	14,503	12,100	19.9%
Total	\$ 82,607	\$ 73,883	11.8%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$91,111,206. Individuals who directly participated or benefited from a program offering paid for \$487,040 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$8,017,133. The net cost of governmental activities, \$82,607,033, was financed by general revenues of the District.

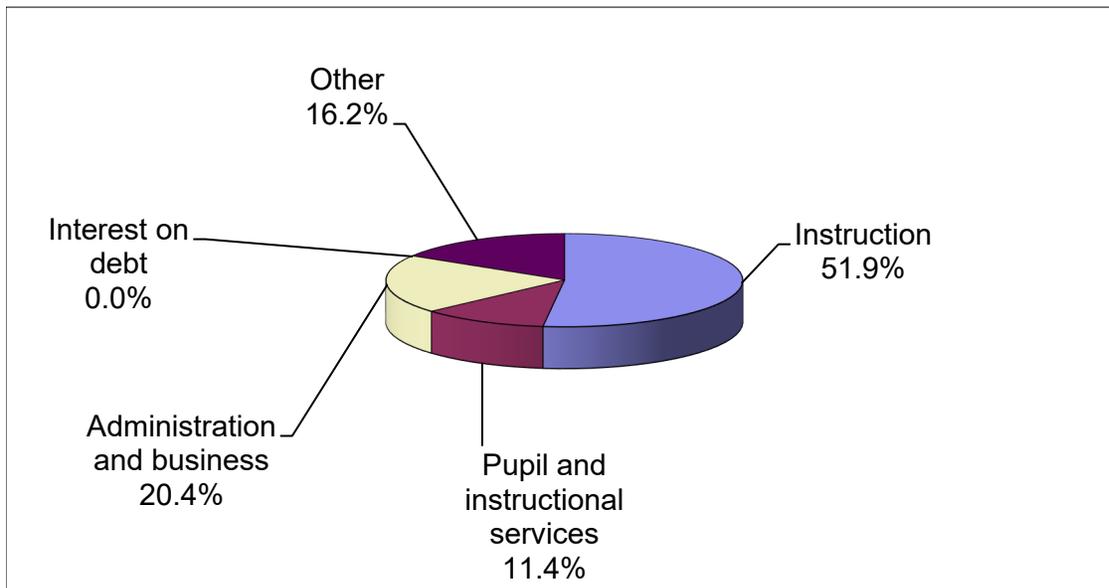
The composition of governmental revenues by type and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



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

Governmental Activities Expenditure by Type
Chart 2



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

The District completed the year with a total governmental fund balance of \$28,329,809 up from last year's ending fund balance of \$26,733,411.

The general fund had an increase in fund balance of \$2,681,273.

The other governmental funds had a decrease in fund balance of \$1,084,875.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

While the District's final budget for the general fund anticipated that expenses would exceed revenues by \$1,067,981 the actual results for the year show a \$2,681,273 increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District had invested \$84,268,037 in capital assets, including land, land improvements, buildings, equipment, and SBITA (See Table 4). Total accumulated depreciation/amortization on these assets is \$67,916,037. Asset acquisitions for governmental activities totaled \$947,565. The District recognized depreciation/amortization expense of \$1,640,756 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

	<u>Governmental Activities</u>		<u>Total % Change</u>
	<u>2025</u>	<u>2024</u>	<u>2024 - 2025</u>
Land	\$ 966	\$ 966	0.0%
Land improvements	5,556	5,601	-0.8%
Buildings	67,682	67,083	0.9%
Equipment	10,064	9,478	6.2%
SBITA	-	352	-100.0%
Accumulated depreciation	<u>(67,916)</u>	<u>(67,226)</u>	1.0%
Total	<u>\$ 16,352</u>	<u>\$ 16,253</u>	0.6%

Note: Totals may not add due to rounding.

Long-Term Obligations

At year-end, the District had \$15,680,238 in other long-term debt outstanding - an increase of 42% from last year (See Table 5). Detailed information about the District's long-term obligations are presented in the notes to the financial statements.

Table 5
Outstanding Long-Term Obligations
(in thousands of dollars)

	Total		Total % Change
	2025	2024	2024 - 2025
Other	\$ 15,680	\$ 12,534	25.1%

Note: Totals may not add due to rounding.

Other transactions increased total debt by \$1,023,588.

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

FACTORS BEARING ON THE DISTRICT’S FUTURE

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

In April 2023, the District approved a referendum question for increasing the revenue limit for operational expenditures. The District is authorized to exceed the revenue limit by \$13,000,000 for the 2025-26 school year, \$15,000,000 for the 2026-27 school year, and \$17,500,000 for the 2027-28 school year for non-recurring purposes.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Nathan Mielke, Director of Business Services, Manitowoc Public School District, 920-686-4795, 2902 Lindbergh Drive, PO Box 1657, Manitowoc, Wisconsin 54221-1657.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

MANITOWOC PUBLIC SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments	\$ 25,786,456
Receivables	
Taxes	5,371,563
Other	19,362
Due from other governments	2,584,413
Inventories	115,525
Prepays	806,168
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	965,709
Capital assets being depreciated	15,386,291
TOTAL ASSETS	51,035,487
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	18,133,564
Wisconsin Retirement System LRLIF	897,829
OPEB supplemental pension	102,842
OPEB healthcare	1,188,438
TOTAL DEFERRED OUTFLOWS OF RESOURCES	20,322,673
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 71,358,160
 LIABILITIES	
Accounts payable	1,192,310
Self insurance claims payable	1,681,540
Accrued liabilities	
Payroll, payroll taxes, insurance	1,159,219
Interest	4,121
Deposits payable	2,014,348
Unearned revenue	306,261
Current portion of long-term obligations	1,160,120
Noncurrent portion of long-term obligations	14,520,118
TOTAL LIABILITIES	22,038,037
 DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	9,735,900
Wisconsin Retirement System LRLIF	1,845,563
OPEB supplemental pension	607,963
OPEB healthcare	2,120,341
TOTAL DEFERRED INFLOWS OF RESOURCES	14,309,767
 NET POSITION	
Net investment in capital assets	15,510,947
Restricted for	
Special revenue	911,344
Capital projects	3,028,353
Other activities	5,016,715
Unrestricted	10,542,997
TOTAL NET POSITION	35,010,356
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 \$ 71,358,160

The accompanying notes are an integral part of these statements.

MANITOWOC PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 29,779,354	\$ 1,339	\$ 11,661	\$ (29,766,354)
Vocational instruction	1,787,450	12	-	(1,787,438)
Special instruction	12,447,746	-	4,987,789	(7,459,957)
Other instruction	3,280,713	187,635	115,712	(2,977,366)
Total instruction	<u>47,295,263</u>	<u>188,986</u>	<u>5,115,162</u>	<u>(41,991,115)</u>
Support services				
Pupil services	4,358,699	-	-	(4,358,699)
Instructional staff services	6,043,506	-	416,466	(5,627,040)
General administration services	628,421	180	-	(628,241)
Building administration services	3,935,148	-	-	(3,935,148)
Business services	14,008,807	2,604	2,485,505	(11,520,698)
Central services	823,602	-	-	(823,602)
Insurance	884,333	-	-	(884,333)
Interest and other	42,809	-	-	(42,809)
Other support services	2,810,912	295,270	-	(2,515,642)
Community services	12,589	-	-	(12,589)
Total support services	<u>33,548,826</u>	<u>298,054</u>	<u>2,901,971</u>	<u>(30,348,801)</u>
Non-program transactions	10,267,117	-	-	(10,267,117)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 91,111,206	\$ 487,040	\$ 8,017,133	(82,607,033)

General revenues

Taxes	
Property taxes	28,743,098
Other taxes	100,177
State and federal aids not restricted to specific functions	50,334,666
Interest and investment earnings	960,959
Miscellaneous	1,454,976
Total general revenues	<u>81,593,876</u>

CHANGE IN NET POSITION	<u>(1,013,157)</u>
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPPORTED	39,682,502
CHANGE IN ACCOUNTING PRINCIPLE	<u>(3,658,989)</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>36,023,513</u>
NET POSITION - END OF YEAR	<u>\$ 35,010,356</u>

The accompanying notes are an integral part of these statements.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

MANITOWOC PUBLIC SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	\$ 21,780,552	\$ 4,005,904	\$ 25,786,456
Receivables			
Taxes	5,371,563	-	5,371,563
Other	19,362	-	19,362
Due from other governments	2,011,555	572,858	2,584,413
Inventories	70,431	45,094	115,525
Prepays	719,611	86,557	806,168
TOTAL ASSETS	<u>29,973,074</u>	<u>4,710,413</u>	<u>34,683,487</u>
LIABILITIES			
Accounts payable	748,404	443,906	1,192,310
Self insurance claims payable	1,681,540	-	1,681,540
Accrued payroll liabilities	1,159,219	-	1,159,219
Deposits payable	2,014,348	-	2,014,348
Unearned revenue	24,545	281,716	306,261
TOTAL LIABILITIES	<u>5,628,056</u>	<u>725,622</u>	<u>6,353,678</u>
FUND BALANCES			
Nonspendable	802,680	45,094	847,774
Restricted	5,016,715	3,939,697	8,956,412
Assigned	8,200,000	-	8,200,000
Unassigned	10,325,623	-	10,325,623
TOTAL FUND BALANCES	<u>24,345,018</u>	<u>3,984,791</u>	<u>28,329,809</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,973,074</u>	<u>\$ 4,710,413</u>	

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

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

Governmental capital asset	\$ 84,268,037	
Governmental accumulated depreciation	<u>(67,916,037)</u>	16,352,000

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

7,449,930

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

(1,437,024)

Long-term liabilities are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

Leases payable	\$ (841,053)	
Accrued interest payable	(4,121)	
WRS liability	(5,677,937)	
Compensated absences	(3,738,923)	
Net OPEB obligation	<u>(5,422,325)</u>	<u>(15,684,359)</u>

Total net position - governmental activities **\$ 35,010,356**

The accompanying notes are an integral part of these statements.

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

	GENERAL FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property taxes	\$ 28,843,275	\$ -	\$ 28,843,275
Other local sources	1,091,104	781,089	1,872,193
Interdistrict sources	921,914	-	921,914
Intermediate sources	150,838	-	150,838
State sources	51,777,861	32,906	51,810,767
Federal sources	3,844,865	2,417,956	6,262,821
Other sources	157,715	-	157,715
TOTAL REVENUES	<u>86,787,572</u>	<u>3,231,951</u>	<u>90,019,523</u>
EXPENDITURES			
Current			
Instruction			
Regular instruction	28,807,249	63,761	28,871,010
Vocational instruction	1,703,434	-	1,703,434
Special instruction	12,132,973	-	12,132,973
Other instruction	2,974,974	216,154	3,191,128
Total instruction	<u>45,618,630</u>	<u>279,915</u>	<u>45,898,545</u>
Support services			
Pupil services	4,254,959	-	4,254,959
Instructional staff services	5,930,015	-	5,930,015
General administration services	612,904	-	612,904
Building administration services	3,830,617	-	3,830,617
Business services	10,489,035	3,087,649	13,576,684
Central services	814,447	937	815,384
Insurance	884,333	-	884,333
Other support services	2,035,316	13,672	2,048,988
Total support services	<u>28,851,626</u>	<u>3,102,258</u>	<u>31,953,884</u>
Non-program transactions	10,266,517	600	10,267,117
Debt service			
Principal	152,439	16,681	169,120
Interest	34,900	3,788	38,688
Total debt service	<u>187,339</u>	<u>20,469</u>	<u>207,808</u>
Capital outlay	257,418	913,406	1,170,824
TOTAL EXPENDITURES	<u>85,181,530</u>	<u>4,316,648</u>	<u>89,498,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,606,042</u>	<u>(1,084,697)</u>	<u>521,345</u>
OTHER FINANCING (USES) SOURCES			
Net transfer (to) from other funds	178	(178)	-
Lease proceeds	996,527	-	996,527
Sale of capital assets	78,526	-	78,526
TOTAL OTHER FINANCING (USES) SOURCES	<u>1,075,231</u>	<u>(178)</u>	<u>1,075,053</u>
NET CHANGE IN FUND BALANCE	2,681,273	(1,084,875)	1,596,398
FUND BALANCE - BEGINNING OF YEAR	21,663,745	5,069,666	26,733,411
FUND BALANCE - END OF YEAR	<u>\$ 24,345,018</u>	<u>\$ 3,984,791</u>	<u>\$ 28,329,809</u>

The accompanying notes are an integral part of these statements.

MANITOWOC PUBLIC 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, 2025

Net change in fund balances - total governmental funds \$ 1,596,398

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

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

Capital outlay reported in fund statements	\$ 1,170,824	
Capital outlay reported as other expenses in fund statements	554,763	
Depreciation expense reported in the statement of activities	(1,506,004)	
Amortization expense of SBITA assets in the statement of activities	(90,801)	
Net book value of capital assets disposed	<u>(30,097)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		98,685

The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability. (996,527)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.
This year the accrual of these benefits increased by: (66,699)

Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (1,527,124)

Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes: (101,520)

OPEB supplemental pension deferred outflows of resources, liability, and deferred inflows of resources changes: (47,225)

OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes: (134,144)

Repayment of principal on long-term obligations is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.
Amount of long-term debt principal payments in the current year is: 169,120

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.
Amount of interest and other debt costs paid during the current period is \$ 38,688
Amount of interest and other debt costs accrued during the current period is (42,809)
Interest paid is less than interest accrued by: (4,121)

Change in net position - governmental activities \$ (1,013,157)

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The Manitowoc Public School District is organized as a common school district. The District, governed by a seven member elected school board, operates grades K through 12 and is comprised of all or parts of nine taxing districts.

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

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

Basis of Presentation

District-Wide Statements

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

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

Fund Financial Statements

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

The District reports the following major governmental fund:

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

Measurement Focus and Basis of Accounting

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

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

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

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and the District before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

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

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

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

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Eliminations have been made for amounts due to and due from within the same fund type on the statement of net position.

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

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

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

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

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

Capital Assets - Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at their estimated acquisition value at the date of donation.

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	50 years
Building improvements	\$5,000	Straight-line	20-30 years
Improvements other than building	\$5,000	Straight-line	10-20 years
Machinery and equipment	\$5,000	Straight-line	5-20 years
Furniture and fixtures	\$5,000	Straight-line	5-10 years
Vehicles	\$5,000	Straight-line	8 years

Subscription-Based Information Technology Arrangements (SBITA) - The SBITA liability is measured using the present value of payments to be made during the subscription term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the term or the useful life.

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

Pensions - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (assets), deferred outflows or resources and deferred inflows of resources related to pensions, and 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.

Other Post Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has four items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Retirement System Local Retiree Life Insurance Fund (LRLIF), OPEB supplemental pension, and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, OPEB supplemental pension, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

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

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

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the Director of Business Services to assign fund balances through its financial management policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues,

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 2 - Cash and Investments - Continued

repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

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

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Certificates of deposit	Less than one year	\$ 33,966
State of Wisconsin Investment Pool	Less than one year	5,891,696
Wisconsin Investment Series Cooperative	Less than one year	<u>280,000</u>
Total		<u>\$ 6,205,662</u>

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2025, the Pool's fair value was 100 percent of book value.

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

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Wisconsin Investment Series Cooperative is determined based on published market quotations (level 1 inputs).

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

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The State of Wisconsin Local Government Investment Pool is not rated.

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 2 - Cash and Investments - Continued

Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2025, \$18,500,000 of the District's bank balance of \$19,894,139 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by U.S. Government or municipal securities held by the bank in the bank's name.

NOTE 3 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 965,709	\$ -	\$ -	\$ 965,709
Capital assets being depreciated:				
Land improvements	5,538,287	17,340	-	5,555,627
Buildings and improvements	67,208,703	473,564	-	67,682,267
Equipment	9,415,531	1,234,683	(585,780)	10,064,434
Total capital assets being depreciated	<u>82,162,521</u>	<u>1,725,587</u>	<u>(585,780)</u>	<u>83,302,328</u>
Less accumulated depreciation for:				
Land improvements	(2,887,857)	(283,406)	-	(3,171,263)
Buildings and improvements	(55,990,461)	(776,814)	-	(56,767,275)
Equipment	<u>(8,087,398)</u>	<u>(445,784)</u>	<u>555,683</u>	<u>(7,977,499)</u>
Total accumulated depreciation	<u>(66,965,716)</u>	<u>(1,506,004)</u>	<u>555,683</u>	<u>(67,916,037)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>15,196,805</u>	<u>219,583</u>	<u>(30,097)</u>	<u>15,386,291</u>
Capital assets, net of accumulated depreciation	<u>\$ 16,162,514</u>	<u>\$ 219,583</u>	<u>\$ (30,097)</u>	<u>\$ 16,352,000</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 20,090
Vocational instruction	28,574
Special education instruction	3,573
Other instruction	19,584
Pupil services	813
Instructional staff services	700
Building administration services	2,046
Business services	1,415,334
Central services	2,701
Other support services	12,589
Total	<u>\$ 1,506,004</u>

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 3 - Capital Assets - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being amortized:				
SBITA asset	351,514	-	(351,514)	-
Total capital assets being amortized	351,514	-	(351,514)	-
Less accumulated amortization for:				
SBITA asset	(260,713)	(90,801)	351,514	-
Total accumulated amortization	(260,713)	(90,801)	351,514	-
Total capital assets being amortized, net of accumulated amortization	90,801	(90,801)	-	-
Capital assets, net of accumulated amortization	\$ 90,801	\$ (90,801)	\$ -	\$ -

The District contracts with various vendors for the right to use their software. \$90,801 amortization expense was charged to regular instruction.

NOTE 4 - Long-Term Obligations

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
SBITAs	\$ 13,646	\$ -	\$ (13,646)	\$ -	\$ -
Leases - direct borrowing	-	996,527	(155,474)	841,053	199,520
Compensated absences - sick	3,672,224	847,126	(780,427)	3,738,923	708,827
Wisconsin Retirement System					
Net pension liability	3,123,630	208,040	-	3,331,670	-
LRLIF	2,688,286	-	(342,019)	2,346,267	-
OPEB supplemental pension	820,885	142,843	(49,269)	914,459	46,390
OPEB healthcare	4,402,451	436,420	(331,005)	4,507,866	205,383
Total	\$ 14,721,122	\$ 2,630,956	\$ (1,671,840)	\$ 15,680,238	\$ 1,160,120

Interest cost incurred during the year totaled \$42,809 and total paid during the year aggregated \$38,688 including \$38,688 for leases.

General Obligation Debt Limit Calculation - The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$4,075,573,237. The legal debt limit and margin of

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 4 - Long-Term Obligations - Continued

indebtedness as of June 30, 2025, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (10 percent of \$4,075,573,237)	\$ 407,557,324
Applicable long-term debt	-
Amount available in debt service fund	-
Margin of indebtedness	\$ 407,557,324

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

Year Ending June 30	Leases -		Total
	Direct Placement		
	Principal	Interest	
2026	\$ 199,520	\$ 49,454	\$ 248,974
2027	199,520	49,454	248,974
2028	199,520	49,454	248,974
2029	199,520	49,454	248,974
2030	42,973	10,505	53,478
	\$ 841,053	\$ 208,321	\$ 1,049,374

NOTE 5 - Wisconsin Retirement System Pension

General Information about the Pension Plan

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

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$2,909,972 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

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

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

At June 30, 2025, the District reported a liability (asset) of \$3,331,670 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.20275926%, which was a decrease of 0.00733069% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$4,488,000.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,346,659	\$ 9,722,615
Net differences between projected and actual earnings on pension plan investments	5,062,649	-
Changes in assumptions	988,571	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,620	13,285
Employer contributions subsequent to the measurement date	1,700,065	-
Total	\$ 18,133,564	\$ 9,735,900

\$1,700,065 reported as deferred outflows of resources related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ 2,017,280
2027	6,911,802
2028	(1,703,647)
2029	(527,836)
Thereafter	-

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

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

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

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations. New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.6%.

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

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

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 31,255,417	\$ 3,331,670	\$ (16,507,350)

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

Payables to the Pension Plan - The District reported a payable of \$868,907 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post Employment Benefits

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

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

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

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

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

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

Contribution rates as of December 31, 2024 are:

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

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

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

During the reporting period, the LRLIF recognized \$12,406 in contributions from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$2,346,267 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.59972200%, which was an increase of 0.015395% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$113,946.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 244,095
Net differences between projected and actual earnings on OPEB plan investments	32,220	-
Changes in assumptions	575,707	1,315,972
Changes in proportion and differences between employer contributions and proportionate share of contributions	283,910	285,496
Employer contributions subsequent to the measurement date	5,992	-
Total	\$ 897,829	\$ 1,845,563

\$5,992 was reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

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

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (90,026)
2027	(195,756)
2028	(296,160)
2029	(231,218)
Thereafter	(140,566)

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

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

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

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

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

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

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

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

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

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's proportionate share of the net OPEB liability (asset)	\$ 3,136,114	\$ 2,346,267	\$ 1,737,618

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

NOTE 7 - Supplemental Pension Defined Benefit Plan

General Information about the Supplemental Pension Plan

Plan Description - The supplemental pension is a single employer defined benefit pension plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 7 - Supplemental Pension Defined Benefit Plan - Continued

Benefits Provided - Administrators hired on or prior to June 30, 2003 at least age 54 with less than 10 years of service that do not qualify for or choose not to participate in the District's special pay stipend upon retirement, shall receive a one-time payment of \$100 per year of service. Additionally, retirees with a minimum of 10 years of service shall receive a stipend benefit divided equally into 12 payments paid out quarterly over a 3-year period into a special pay plan through MidAmerica under section 403(b). The total of this stipend is determined as follows: (1) if the Administrator has 10 years of service they shall receive 50% of the average salary based upon the individual's contract(s) for the 3 years immediately prior to retirement or (2) if the Administrator has 15 years of service they shall receive an amount equal to the average salary based upon the individual's contract(s) for the 3 years immediately prior to retirement.

Administrators hired after June 30, 2003 at least age 57 with less than 10 years of service that do not qualify for or choose not to participate in the District's special pay stipend upon retirement, shall receive a one-time payment of \$100 per year of service. Additionally, retirees with a minimum of 10 years of service shall receive a stipend benefit equal to the average salary based upon the individual's contract(s) for the 3 years immediately prior to retirement into a special pay plan through MidAmerica under section 403(b). The total stipend amount will be divided equally into 12 payments and paid out quarterly over a 3-year period.

Each teacher at least age 55 with a minimum of 15 years of service shall receive a one-time payment of \$100 per year of service in cash.

Paraprofessionals, clerical, custodians, and non-represented staff eligible for WRS with a minimum 10 years of service with the District shall receive \$113 per year of service. These monies may be taken in cash or used for continued medical coverage.

Employees Covered - As of the June 30, 2024 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>721</u>
Total	<u>727</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2025, contribution rates for plan members were \$0, per participant per year and \$3,866 - \$46,390 from the District, depending on the type of retiree plan. Plan members receiving benefits paid \$0 and the District paid \$46,390 for current year premiums due.

Actuarial Assumptions - The total supplemental pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 7 - Supplemental Pension Defined Benefit Plan - Continued

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	4.21%
Salary Increases:	3%
Mortality:	2020 WRS Experience Tables

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

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

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

Discount Rate - A discount rate of 4.21% was used to measure the total supplemental pension liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total supplemental pension liability.

Changes in the Total Supplemental Pension Liability

	<u>Increase (Decrease)</u>
	<u>Total Pension Liability</u>
Beginning balance	\$ 820,885
Changes for the year:	
Service cost	107,337
Interest	35,506
Differences between expected and actual experience	(14,837)
Changes of assumptions or other input	(4,724)
Benefit payments	<u>(29,708)</u>
Net changes	93,574
Ending balance	<u>\$ 914,459</u>

Sensitivity of the Total Supplemental Pension Liability to Changes in the Discount Rate - The following presents the total supplemental pension liability calculated using the discount rate of 4.21 percent, as well as what the total supplemental pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21 percent) or 1-percentage point higher (5.21 percent) than the current rate:

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 7 - Supplemental Pension Defined Benefit Plan - Continued

	1% Decrease to Discount Rate (3.21%)	Current Discount Rate (4.21%)	1% Increase to Discount Rate (5.21%)
Total supplemental pension liability (asset)	\$ 974,822	\$ 914,459	\$ 856,909

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

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$93,615.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,340	\$ 472,053
Net differences between projected and actual earnings on pension plan investments	-	-
Changes in assumptions	49,112	135,910
Employer contributions subsequent to the measurement date	46,390	-
Total	\$ 102,842	\$ 607,963

\$46,390 reported as deferred outflows related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction on the total pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (49,228)
2027	(49,228)
2028	(49,228)
2029	(49,231)
2030	(49,671)
Thereafter	(304,925)

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

NOTE 8 - Interfund Balance and Activity

Interfund transfers at June 30, 2025 were as follows:

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 8 - Interfund Balance and Activity - Continued

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
Non-referendum approved debt service	General	\$ 178

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

NOTE 9 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other than Pensions

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

Benefits Provided - For administrators at least age 54 with a minimum of 10 years of service, hired prior to July 1, 2003; the District will contribute 80% of the medical and dental premiums on behalf of the retiree until Medicare-eligibility. For those hired on or after July 1, 2003, at least age 57 with a minimum of 10 years of service, the District's contributions will be limited to either \$714 or 80% of the medical premium and \$76 or 80% of the dental premium whichever is less, until Medicare eligibility.

Teachers will receive contributions towards their medical premiums at least age 55 with a minimum of 15 years of service. The contribution will be limited to 50% of the annual medical premiums, but not to exceed \$3,000 for a single plan and \$6,000 for a family plan. These contributions will continue for a period of 8 years, but not to exceed Medicare eligibility.

Upon retirement, retirees may self-pay to remain on the District's medical plan indefinitely provided they pay the full amount of all required premiums.

The District provides eligible retirees with HSA contributions to use towards a portion of the health plan's high deductible. Contributions will be in an amount up to \$1,000 for single and \$2,000 for family coverage. These contributions were included in this OPEB valuation and were assumed not to increase in the future.

Employees Covered - As of the June 30, 2024 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>721</u>
Total	<u>763</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability.

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

For the year ended June 30, 2025, contribution rates for Plan members were \$13,067 - \$45,733 per participant per month and \$3,786 - \$13,249 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$548,801 and the District contributed \$205,383 to the plan.

Actuarial Assumptions - The OPEB healthcare liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	4.21%
Mortality:	2020 WRS Experience Tables
Health Care Cost Trend:	7% decreasing to 6.5%, then decreasing by .1% per year down to 4.5%, and level thereafter
Dental Care Cost Trend:	5%

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's health plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2023.

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

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

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

Discount Rate - A discount rate of 4.21% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

Changes in the OPEB Healthcare Liability

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Healthcare Liability</u>
Beginning balance	\$ 4,402,451
Changes for the year:	
Service cost	252,663
Interest	183,757
Differences between expected and actual experience	(147,960)
Changes of assumptions or other input	(24,112)
Benefit payments	(158,933)
Net changes	105,415
Ending balance	\$ 4,507,866

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

	1% Decrease to Healthcare Cost Rate (6% decreasing to 3.5%)	Current Healthcare Cost Rate (7% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (8% decreasing to 5.5%)
OPEB healthcare liability (asset)	\$ 4,159,823	\$ 4,507,866	\$ 4,915,615

Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the OPEB healthcare liability calculated using the discount rate of 4.21 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21 percent) or 1-percentage point higher (5.21 percent) than the current rate:

	1% Decrease to Discount Rate (3.21%)	Current Discount Rate (4.21%)	1% Increase to Discount Rate (5.21%)
OPEB healthcare liability (asset)	\$ 4,817,859	\$ 4,507,866	\$ 4,215,319

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

For the year ended June 30, 2025, the District recognized OPEB healthcare expense (revenue) of \$339,524.

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

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 9 - Post Employment Benefits Other Than Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 690,036	\$ 426,002
Net differences between projected and actual earnings on pension plan investments	-	-
Changes in assumptions	293,019	1,694,339
Employer contributions subsequent to the measurement date	205,383	-
Total	\$ 1,188,438	\$ 2,120,341

\$205,383 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (96,893)
2027	(96,893)
2028	(96,893)
2029	(96,896)
2030	(171,720)
Thereafter	(577,991)

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

NOTE 10 - Fund Balance and Net Position

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

Nonspendable			
General	Employee computer loan program	\$	12,638
General	Prepays	\$	719,611
General	Inventory	\$	70,431
Food service	Inventory	\$	45,094
Restricted			
General	Self-insurance	\$	5,000,000
General	Common school fund	\$	16,715
Special revenue trust	Donor specific expenses	\$	452,177
Food service	DPI regulation	\$	459,167
Long-term capital improvement trust	DPI regulation	\$	3,028,353

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 10 - Fund Balance and Net Position - Continued

Assigned			
General	Specific project expenses	\$	8,200,000
<u>Governmental Activities</u>			
Restricted			
Special revenue	Donor specific expenses	\$	452,177
Special revenue	DPI regulation	\$	459,167
Capital projects	DPI regulation	\$	3,028,353
Other activities	Self-insurance	\$	5,000,000
Other activities	Common school fund	\$	16,715

The general fund has a minimum fund balance of 20% of the preceding year's expenditures.

NOTE 11 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance except for self-insured health and dental benefits as described in note 14. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 12 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency #7 for services to be provided to the District in 2025-2026. Expected costs are \$132,405.

The District has a transportation agreement with estimated costs for the following school years:

2025-2026	\$	2,607,436
2026-2027		2,659,585
2027-2028		<u>2,712,776</u>
	\$	<u>7,979,797</u>

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

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

NOTE 13 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and

MANITOWOC PUBLIC SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2025

NOTE 13 - Limitation of School District Revenue - Continued

property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

NOTE 14 - Self-Funded Insurance

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

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

The District has reported a liability of \$1,681,540, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. Changes in the claims liability for the year ended June 30, 2025 are as follows:

	Year Ended June 30, 2025	Year Ended June 30, 2024
Beginning liability balance	\$ 1,314,697	\$ 1,731,257
Claims and changes in estimates	11,138,639	8,184,544
Claim payments	<u>(10,771,796)</u>	<u>(8,601,104)</u>
Ending liability balance	<u>\$ 1,681,540</u>	<u>\$ 1,314,697</u>

NOTE 15 - Change in Accounting Principle

The change in accounting principle adjustment of \$3,658,989 on the statement of activities is due to the adoption of Governmental Accounting Standards Board No. 101 Compensated Absences.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
June 30, 2024, as previously reported	\$	39,682,502
Change in accounting principle		<u>(3,658,989)</u>
	<u>\$</u>	<u>36,023,513</u>

NOTE 16 - Subsequent Event

On July 10, 2025 the District issued \$14,000,000 of general obligation note for consolidating elementary school buildings.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

MANITOWOC PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH
	SPECIAL			SPECIAL			SPECIAL			FINAL BUDGET
	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	POSITIVE (NEGATIVE)
REVENUES										
Property taxes	\$ 28,751,098	\$ -	\$ 28,751,098	\$ 28,751,098	\$ -	\$ 28,751,098	\$ 28,843,275	\$ -	\$ 28,843,275	\$ 92,177
Other local sources	1,006,100	3,000	1,009,100	1,006,100	3,000	1,009,100	1,091,062	42	1,091,104	82,004
Interdistrict sources	982,452	11,784	994,236	982,452	11,784	994,236	921,914	-	921,914	(72,322)
Intermediate sources	121,241	-	121,241	121,241	-	121,241	150,088	750	150,838	29,597
State sources	48,042,084	3,853,846	51,895,930	48,042,084	3,853,846	51,895,930	48,205,734	3,572,127	51,777,861	(118,069)
Federal sources	2,891,151	1,797,259	4,688,410	2,891,151	1,797,259	4,688,410	2,429,953	1,414,912	3,844,865	(843,545)
Other sources	202,695	500	203,195	202,695	500	203,195	156,883	832	157,715	(45,480)
TOTAL REVENUES	81,996,821	5,666,389	87,663,210	81,996,821	5,666,389	87,663,210	81,798,909	4,988,663	86,787,572	(875,638)
EXPENDITURES										
Current										
Instruction										
Regular instruction	29,788,108	-	29,788,108	29,519,517	-	29,519,517	28,807,249	-	28,807,249	712,268
Vocational instruction	1,650,792	-	1,650,792	1,665,239	-	1,665,239	1,703,434	-	1,703,434	(38,195)
Special instruction	-	13,480,351	13,480,351	-	13,349,378	13,349,378	-	12,132,973	12,132,973	1,216,405
Other instruction	3,134,577	20,000	3,154,577	3,168,036	20,000	3,188,036	2,957,591	17,383	2,974,974	213,062
Total instruction	34,573,477	13,500,351	48,073,828	34,352,792	13,369,378	47,722,170	33,468,274	12,150,356	45,618,630	2,103,540
Support services										
Pupil services	2,289,491	1,779,061	4,068,552	2,317,283	1,783,351	4,100,634	2,482,569	1,772,390	4,254,959	(154,325)
Instructional staff services	4,929,434	531,091	5,460,525	5,322,435	544,196	5,866,631	5,081,617	848,398	5,930,015	(63,384)
General administration services	691,968	20,000	711,968	716,028	20,000	736,028	597,909	14,995	612,904	123,124
Building administration services	4,141,411	-	4,141,411	4,138,008	-	4,138,008	3,830,617	-	3,830,617	307,391
Business services	10,966,370	594,968	11,561,338	11,013,592	597,199	11,610,791	9,939,965	549,070	10,489,035	1,121,756
Central services	886,491	-	886,491	875,081	-	875,081	814,447	-	814,447	60,634
Insurance	837,468	-	837,468	873,587	5,981	879,568	878,352	5,981	884,333	(4,765)
Other support services	2,271,855	14,660	2,286,515	2,138,124	-	2,138,124	2,035,316	-	2,035,316	102,808
Total support services	27,014,488	2,939,780	29,954,268	27,394,138	2,950,727	30,344,865	25,660,792	3,190,834	28,851,626	1,493,239
Non-program transactions	8,567,777	95,000	8,662,777	9,848,382	513,379	10,361,761	9,839,574	426,943	10,266,517	95,244
Debt service										
Principal	217,332	7,260	224,592	217,332	7,260	224,592	152,003	436	152,439	72,153
Interest	-	-	-	-	-	-	34,774	126	34,900	(34,900)
Total debt service	217,332	7,260	224,592	217,332	7,260	224,592	186,777	562	187,339	37,253
Capital outlay	238,679	22,000	260,679	1,244,719	-	1,244,719	257,418	-	257,418	987,301
TOTAL EXPENDITURES	70,611,753	16,564,391	87,176,144	73,057,363	16,840,744	89,898,107	69,412,835	15,768,695	85,181,530	4,716,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,385,068	(10,898,002)	487,066	8,939,458	(11,174,355)	(2,234,897)	12,386,074	(10,780,032)	1,606,042	3,840,939
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(11,380,914)	11,128,653	(252,261)	(11,128,654)	11,128,653	(1)	(10,779,854)	10,780,032	178	179
Capital lease proceeds	1,122,962	43,955	1,166,917	1,122,962	43,955	1,166,917	996,527	-	996,527	(170,390)
Sale of capital assets	-	-	-	-	-	-	78,526	-	78,526	78,526
TOTAL OTHER FINANCING SOURCES (USES)	(10,257,952)	11,172,608	914,656	(10,005,692)	11,172,608	1,166,916	(9,704,801)	10,780,032	1,075,231	(91,685)
NET CHANGE IN FUND BALANCE	1,127,116	274,606	1,401,722	(1,066,234)	(1,747)	(1,067,981)	2,681,273	-	2,681,273	3,749,254
FUND BALANCE - BEGINNING OF YEAR	21,663,745	-	21,663,745	21,663,745	-	21,663,745	21,663,745	-	21,663,745	-
FUND BALANCE - END OF YEAR	\$ 22,790,861	\$ 274,606	\$ 23,065,467	\$ 20,597,511	\$ (1,747)	\$ 20,595,764	\$ 24,345,018	\$ -	\$ 24,345,018	\$ 3,749,254

The accompanying notes are an integral part of these statements.

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2025

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

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

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

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

General/Special Education	Vocational instruction	\$ 38,195
General/Special Education	Pupil services	154,325
General/Special Education	Instructional staff services	63,384
General/Special Education	Insurance	4,765
General/Special Education	Interest	34,900

MANITOWOC PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2025

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

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
	(Asset)	(Asset)			(Asset)
2024	0.20275926%	\$ 3,331,670	\$40,836,006	8.16%	98.79%
2023	0.21008995%	3,123,630	39,464,143	7.92%	98.85%
2022	0.21388811%	11,331,158	39,178,393	28.92%	95.72%
2021	0.21355056%	(17,212,568)	36,698,468	-46.90%	106.02%
2020	0.21564170%	(13,462,810)	35,617,091	-37.80%	105.26%
2019	0.21887575%	(7,057,553)	34,383,230	-20.53%	102.96%
2018	0.22219099%	7,904,858	33,681,628	23.47%	96.45%
2017	0.22434686%	(6,661,124)	33,107,599	-20.12%	102.93%
2016	0.22583381%	1,861,411	32,489,589	5.73%	99.12%
2015	0.22878762%	3,717,754	32,025,120	11.61%	98.20%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year	Contributions in Relation to the			Contribution Deficiency (Excess)	Contributions as a Percentage of	
	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)		Covered Payroll	Covered Payroll
2025	\$ 2,909,972	\$ (2,909,972)	\$ -	\$ 41,996,255	6.93%	
2024	2,680,843	(2,680,843)	-	39,091,438	6.86%	
2023	2,614,718	(2,614,718)	-	39,174,320	6.67%	
2022	2,475,329	(2,475,329)	-	37,515,982	6.60%	
2021	2,404,154	(2,404,154)	-	35,617,091	6.75%	
2020	2,252,110	(2,252,110)	-	34,383,230	6.55%	
2019	2,256,674	(2,256,674)	-	33,681,628	6.70%	
2018	2,251,317	(2,251,317)	-	33,107,599	6.80%	
2017	2,144,314	(2,144,314)	-	32,489,589	6.60%	
2016	2,177,710	(2,177,710)	-	32,025,120	6.80%	

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

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

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

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 ended December 31, 2021, including the following:

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

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

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

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

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

MANITOWOC PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2025

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

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2024	0.59972200%	\$ 2,346,267	\$ 34,805,000	6.74%	37.20%
2023	0.58432700%	2,688,286	34,573,000	7.78%	33.90%
2022	0.61399500%	2,339,215	34,749,000	6.73%	38.81%
2021	0.54851800%	3,241,944	31,922,000	10.16%	29.57%
2020	0.65311900%	3,592,626	30,695,000	11.70%	31.36%
2019	0.60961300%	2,595,851	30,143,000	8.61%	37.58%
2018	0.62316700%	1,607,981	29,666,000	5.42%	48.69%
2017	0.61293200%	1,844,055	25,775,544	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 12,406	\$ (12,406)	\$ -	\$ 27,398,487	0.05%
2024	12,552	(12,552)	-	39,091,438	0.03%
2023	11,800	(11,800)	-	39,174,320	0.03%
2022	12,102	(12,102)	-	31,922,000	0.04%
2021	13,023	(13,023)	-	30,695,000	0.04%
2020	11,020	(11,020)	-	30,143,000	0.04%
2019	12,006	(12,006)	-	29,666,000	0.04%
2018	11,639	(11,639)	-	25,775,544	0.05%

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

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

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

Changes of benefit terms - there were no changes of benefit terms for any participating employer in LRLIF.

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

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

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

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

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

MANITOWOC PUBLIC SCHOOL DISTRICT
SUPPLEMENTAL PENSION DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability									
Service cost	\$ 107,337	\$ 128,262	\$ 150,532	\$ 149,013	\$ 126,718	\$ 126,599	\$ 130,136	\$ 127,924	\$ 127,924
Interest	35,506	46,823	28,334	30,072	47,213	56,069	56,535	50,408	50,823
Differences between expected and actual experience	(14,837)	(418,592)	(64,171)	(40,543)	-	(44,102)	-	22,020	-
Changes of assumptions or other inputs	(4,724)	2,327	(113,560)	(46,811)	78,364	2,801	(14,812)	(16,755)	-
Benefit payments	(29,708)	(88,742)	(68,745)	(270,717)	(280,974)	(294,294)	(286,144)	(213,215)	(171,971)
Net Changes in Total Pension Liability	93,574	(329,922)	(67,610)	(178,986)	(28,679)	(152,927)	(114,285)	(29,618)	6,776
Total Pension Liability - Beginning	820,885	1,150,807	1,218,417	1,397,403	1,426,082	1,579,009	1,693,294	1,722,912	1,716,136
Total Pension Liability - Ending	\$ 914,459	\$ 820,885	\$ 1,150,807	\$ 1,218,417	\$ 1,397,403	\$ 1,426,082	\$ 1,579,009	\$ 1,693,294	\$ 1,722,912
Covered payroll	\$ 37,405,973	\$ 37,405,973	\$ 38,225,301	\$ 38,225,301	\$ 34,109,882	\$ 34,109,882	\$ 32,035,413	\$ 32,035,413	\$ 32,712,208
Total pension liability as a percentage of covered payroll	2.44%	2.19%	3.01%	3.19%	4.10%	4.18%	4.93%	5.29%	5.27%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,596
Contributions in relation to the actuarially determined contributions	(29,708)	(88,742)	(68,745)	(270,717)	(280,974)	(294,294)	(286,144)	(213,215)	(171,971)
Contribution deficiency (excess)	\$ (29,708)	\$ (88,742)	\$ (68,745)	\$ (270,717)	\$ (280,974)	\$ (294,294)	\$ (286,144)	\$ (213,215)	\$ 8,625
Covered payroll	\$ 37,405,973	\$ 37,405,973	\$ 38,225,301	\$ 38,225,301	\$ 34,109,882	\$ 34,109,882	\$ 32,035,413	\$ 32,035,413	\$ 32,712,208
Contributions as a percentage of covered payroll	0.08%	0.24%	0.18%	0.71%	0.82%	0.86%	0.89%	0.67%	0.53%
Actuarial valuation date	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2016
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016

The District implemented the Government Accounting Standards Board Statement No. 73 for the year ended June 30, 2017. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

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

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % amortization, 4.21% discount rate, 2.5% inflation rate, 2020 WRS Experience Tables.

Changes of benefit terms - there is no change in benefit terms.

Changes of assumptions - the discount rate changed from 4.13% to 4.21%.

MANITOWOC PUBLIC SCHOOL DISTRICT
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability								
Service cost	\$ 252,663	\$ 241,357	\$ 308,488	\$ 331,455	\$ 264,353	\$ 245,717	\$ 256,075	\$ 256,075
Interest	183,757	173,622	107,919	132,125	191,532	184,456	174,049	166,522
Changes of benefit terms	-	130,167	-	-	-	-	-	-
Differences between expected and actual experience	(147,960)	546,585	(131,919)	(307,297)	-	607,085	-	-
Changes of assumptions or other input	(24,112)	(805,168)	(493,085)	(986,781)	418,902	208,913	(74,482)	-
Benefit payments	<u>(158,933)</u>	<u>(207,978)</u>	<u>(219,392)</u>	<u>(248,247)</u>	<u>(768,699)</u>	<u>(635,264)</u>	<u>(173,655)</u>	<u>(241,424)</u>
Net Changes in Total OPEB Healthcare Liability	105,415	78,585	(427,989)	(1,078,745)	106,088	610,907	181,987	181,173
Total OPEB Healthcare Liability - Beginning	<u>4,402,451</u>	<u>4,323,866</u>	<u>4,751,855</u>	<u>5,830,600</u>	<u>5,724,512</u>	<u>5,113,605</u>	<u>4,931,618</u>	<u>4,750,445</u>
Total OPEB Healthcare Liability - Ending (a)	\$ 4,507,866	\$ 4,402,451	\$ 4,323,866	\$ 4,751,855	\$ 5,830,600	\$ 5,724,512	\$ 5,113,605	\$ 4,931,618
Covered payroll	\$37,405,973	\$37,405,973	\$38,225,301	\$38,225,301	\$ 34,109,882	\$ 34,109,882	\$ 32,035,413	\$ 32,035,413
Total OPEB Healthcare Liability as a percentage of covered payroll	12.05%	11.77%	11.31%	12.43%	17.09%	16.78%	15.96%	15.39%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	<u>(158,933)</u>	<u>(207,978)</u>	<u>(219,392)</u>	<u>(248,247)</u>	<u>(768,699)</u>	<u>(635,264)</u>	<u>(173,655)</u>	<u>(241,424)</u>
Contribution deficiency (excess)	<u>\$ (158,933)</u>	<u>\$ (207,978)</u>	<u>\$ (219,392)</u>	<u>\$ (248,247)</u>	<u>\$ (768,699)</u>	<u>\$ (635,264)</u>	<u>\$ (173,655)</u>	<u>\$ (241,424)</u>
Covered payroll	\$37,405,973	\$37,405,973	\$38,225,301	\$38,225,301	\$ 34,109,882	\$ 34,109,882	\$ 32,035,413	\$ 32,035,413
Contributions as a percentage of covered payroll	0.42%	0.56%	0.57%	0.65%	2.25%	1.86%	0.54%	0.75%
Actuarial valuation date	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

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

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

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % amortization, 4.21% discount rate, 2.5% inflation rate, 2020 WRS Experience Tables.

Changes of benefit terms - there is no change in benefit terms.

Changes of assumptions - the discount rate changed from 4.13% to 4.21%.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

SUPPLEMENTARY INFORMATION

MANITOWOC PUBLIC SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	NON-REFERENDUM	LONG-TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS	
ASSETS						
Cash and investments	\$ 466,680	\$ 312,328	\$ -	\$ 3,028,353	\$ 198,543	\$ 4,005,904
Due from other governments	-	572,858	-	-	-	572,858
Inventories	-	45,094	-	-	-	45,094
Prepays	-	-	-	-	86,557	86,557
TOTAL ASSETS	466,680	930,280	-	3,028,353	285,100	4,710,413
LIABILITIES						
Accounts payable	14,503	424,303	-	-	5,100	443,906
Unearned revenue	-	1,716	-	-	280,000	281,716
TOTAL LIABILITIES	14,503	426,019	-	-	285,100	725,622
FUND BALANCES						
Nonspendable	-	45,094	-	-	-	45,094
Restricted	452,177	459,167	-	3,028,353	-	3,939,697
TOTAL FUND BALANCES	452,177	504,261	-	3,028,353	-	3,984,791
TOTAL LIABILITIES AND FUND BALANCES	\$ 466,680	\$ 930,280	\$ -	\$ 3,028,353	\$ 285,100	\$ 4,710,413

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

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECT FUND		TOTAL
	TRUST	FOOD SERVICE	NON-REFERENDUM	LONG-TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Other local sources	\$ 324,619	\$ 293,508	\$ 2	\$ 162,960	\$ -	\$ 781,089
State sources	-	32,906	-	-	-	32,906
Federal sources	-	2,417,956	-	-	-	2,417,956
TOTAL REVENUES	324,619	2,744,370	2	162,960	-	3,231,951
EXPENDITURES						
Current						
Instruction						
Regular instruction	63,761	-	-	-	-	63,761
Other instruction	214,803	-	-	1,351	-	216,154
Total instruction	278,564	-	-	1,351	-	279,915
Support service						
Business services	2,804	3,083,320	-	1,525	-	3,087,649
Central services	-	937	-	-	-	937
Other support services	-	13,412	-	260	-	13,672
Total support services	2,804	3,097,669	-	1,785	-	3,102,258
Non-program transactions	600	-	-	-	-	600
Debt service						
Principal	-	16,681	-	-	-	16,681
Interest	-	3,788	-	-	-	3,788
Total debt service	-	20,469	-	-	-	20,469
Capital outlay	2,012	5,731	-	905,663	-	913,406
TOTAL EXPENDITURES	283,980	3,123,869	-	908,799	-	4,316,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,639	(379,499)	2	(745,839)	-	(1,084,697)
OTHER FINANCING SOURCES						
Net transfer (to) from other funds	-	-	(178)	-	-	(178)
NET CHANGE IN FUND BALANCE	40,639	(379,499)	(176)	(745,839)	-	(1,084,875)
FUND BALANCES - BEGINNING OF YEAR	411,538	883,760	176	3,774,192	-	5,069,666
FUND BALANCES - END OF YEAR	\$ 452,177	\$ 504,261	\$ -	\$ 3,028,353	\$ -	\$ 3,984,791

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2025

<u>OPERATING ACTIVITY</u>	<u>WUFAR OBJECT CODE</u>	<u>COST</u>
Employee salary	100	\$ -
Employee benefits	200	-
Purchased services	300	-
Non-capital objects	400	-
Capital objects	500	-
Debt retirement	600	-
Insurance and judgements	700	-
Other expenses	900	-
Total		<u>\$ -</u>

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	RECEIVABLE (UNEARNED REVENUE)		REVENUES GRANTOR		RECEIVABLE (UNEARNED REVENUE)		SUBRECIPIENT PASS-THROUGH EXPENDITURES
				JULY 1, 2024	REIMBURSEMENTS	EXPENDITURES	JUNE 30, 2025			
U.S. DEPARTMENT OF AGRICULTURE										
Wisconsin Department of Public Instruction										
Child Nutrition Cluster										
School Breakfast Program										
July 1, 2023 - June 30, 2024	2024-363290-DPI-SB-SEVERE-546		10.553	N/A	\$ 7,941	\$ 7,941	\$ -	\$ -	\$ -	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-SB_SEVERE-546			N/A	-	339,154	461,191	122,037	-	-
Food Distribution										
July 1, 2024 - June 30, 2025	None		10.555	N/A	-	261,348	261,348	-	-	-
National School Lunch Program										
July 1, 2023 - June 30, 2024	2024-363290-DPI-NSL-547		10.555	N/A	25,694	25,694	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-NSL-547			N/A	-	1,117,953	1,510,085	392,132	-	-
National School Lunch Area Eligible Snack Program										
July 1, 2024 - June 30, 2025	2025-363290-DPI-SK_NSLAE-566		10.555	N/A	-	2,317	2,726	409	-	-
Special Milk Program for Children										
July 1, 2023 - June 30, 2024	2024-363290-DPI-SMP-548		10.556	N/A	9	9	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-SMP-548			N/A	-	3,260	4,523	1,263	-	-
Summer Food Service Program for Children										
July 1, 2023 - June 30, 2024	2024-363290-DPI-SFSP-586		10.559	N/A	15,883	15,883	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-SFSP-586			N/A	-	53,715	110,732	57,017	-	-
Fresh Fruit and Vegetable Program - July										
July 1, 2024 - June 30, 2025	2025-363290-DPI-FFVPPUB-594		10.582	N/A	-	11,448	11,448	-	-	-
Fresh Fruit and Vegetable Program - October										
July 1, 2024 - June 30, 2025	2025-363290-DPI-FFVPOCTPUB-376		10.582	N/A	-	55,902	55,902	-	-	-
Total Child Nutrition Cluster										
TOTAL U.S. DEPARTMENT OF AGRICULTURE										
					49,527	1,894,624	2,417,955	572,858		
					49,527	1,894,624	2,417,955	572,858		
U.S. DEPARTMENT OF EDUCATION										
Wisconsin Department of Public Instruction										
Title IA - Grants to Local Educational Agencies										
July 1, 2023 - June 30, 2024	2024-363290-DPI-TI-A-141	84.010A		N/A	782,377	782,377	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-TI-A-141			\$1,467,726	-	434,870	1,426,078	991,208	-	-
Total Title IA										
					782,377	1,217,247	1,426,078	991,208		
Special Education Cluster										
Cooperative Educational Service Agency #7										
Special Education - Grants to States (IDEA Discretionary)										
July 1, 2024 - June 30, 2025	None	84.027A		N/A	-	750	750	-	-	-
Wisconsin Department of Public Instruction										
Special Education - Grants to States (IDEA Part B)										
July 1, 2023 - June 30, 2024	2024-363290-DPI-FLOW-341	84.027A		N/A	916,336	916,336	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-FLOW-341			1,007,938	-	573,215	1,007,938	434,723	-	-
Special Education - Grants to States - (IDEA CEIS)										
July 1, 2023 - June 30, 2024	2024-363290-DPI-FLOW-341	84.027A		N/A	20,703	20,703	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-FLOW-341			188,500	-	-	169,423	169,423	-	-
Special Education - Preschool Grants (IDEA Preschool)										
July 1, 2023 - June 30, 2024	2024-363290-DPI-PRESCH-347	84.173A		N/A	31,494	31,494	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-PRESCH-347			46,100	-	18,976	46,100	27,124	-	-
Total Special Education Cluster										
					968,533	1,561,474	1,224,211	631,270		
Title III-A - English Language Acquisition Grants										
July 1, 2023 - June 30, 2024	2024-363290-DPI-TIIIA-391	84.365A		N/A	93,122	93,122	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-TIIIA-391			45,568	-	10,188	10,458	270	-	-
Title III-A - English Language Acquisition Grants - Discretionary										
July 1, 2024 - June 30, 2025	2025-363290-DPI-TIIIA-391	84.365A		N/A	-	10,062	10,062	-	-	-
Title II-A - Supporting Effective Instruction State Grants										
July 1, 2023 - June 30, 2024	2024-363290-DPI-TIIA-365	84.367A		N/A	154,123	154,123	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-TII A-365			198,990	-	162,404	168,262	5,858	-	-
Title IV-A - Student Support and Academic Enrichment										
July 1, 2023 - June 30, 2024	2024-363290-DPI-TIVA-381	84.424A		N/A	69,059	69,059	-	-	-	-
July 1, 2024 - June 30, 2025	2025-363290-DPI-TIV-A-381			102,204	-	-	82,617	82,617	-	-
Education Stabilization Fund										
COVID-19 - Elementary and Secondary School Emergency Relief										
March 13, 2020 - September 30, 2024	2024-363290-DPI-ESSERFIII-165	84.425U		N/A	1,229,965	1,229,965	-	-	-	-
COVID-19 - Elementary and Secondary School Emergency Relief - Homeless Children and Youth - Part 1										
March 13, 2020 - September 30, 2024	2025-363290-DPI-ARPAHCY-168	84.425W		N/A	-	6,548	6,548	-	-	-
COVID-19 - Elementary and Secondary School Emergency Relief - Homeless Children and Youth - Part 2										
April 23, 2021 - September 30, 2024	2025-363290-DPI-ARPHCYII-173			N/A	-	25,914	25,914	-	-	-
Total Education Stabilization Fund										
					1,229,965	1,262,427	32,462	-		
Twenty-First Century Community Learning Centers - Jefferson										
July 1, 2024 - June 30, 2025	2025-363290-DPI-TIVB-367	84.287			96,774	-	76,683	76,683	-	-
Cooperative Educational Service Agency #6										
Career and Technical Education - Basic Grants to States (Perkins IV)										
July 1, 2024 - June 30, 2025	None	84.048		N/A	-	51,783	51,783	-	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION										
					3,297,179	4,591,889	3,082,616	1,787,906		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Wisconsin Department of Health Services										
Medicaid Cluster										
Grants to States for Medicaid										
July 1, 2023 - June 30, 2024	None	93.778		N/A	18,731	18,731	-	-	-	-
July 1, 2024 - June 30, 2025	None			N/A	-	699,293	814,781	115,488	-	-
Total Medicaid Cluster										
					18,731	718,024	814,781	115,488		
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
					18,731	718,024	814,781	115,488		
TOTAL FEDERAL AWARDS					\$ 3,365,437	\$ 7,204,537	\$ 6,315,352	\$ 2,476,252	\$ -	\$ -

The accompanying notes are an integral part of these statements.

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	RECEIVABLE		EXPENDITURES		RECEIVABLE	
			(UNEARNED REVENUE) JULY 1, 2024	REVENUE GRANTOR REIMBURSEMENTS			(UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
STATE OF WISCONSIN								
Higher Education Aids Board								
Dual Enrollment Credential Grant	363290-178	235.150	\$ -	\$ 2,566	\$ 2,566	\$ -	\$ -	
TOTAL STATE OF WISCONSIN			-	2,566	2,566	-	-	
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Cooperative Educational Service Agency #7								
School Based Mental Health Services	None	255.297	-	2,305	2,305	-	-	
Wisconsin Department of Public Instruction								
Special Education and School Age Parents	363290-100	255.101	-	3,511,129	3,511,129	-	-	
State School Lunch Aid	363290-107	255.102	-	22,733	22,733	-	-	
Common School Fund Library Aid	363290-104	255.103	-	416,466	416,466	-	-	
Bilingual/Bicultural Aid	363290-111	255.106	-	137,944	137,944	-	-	
General Transportation Aid	363290-102	255.107	-	34,643	34,643	-	-	
General Aids Cluster								
Equalization Aid	393290-116	255.201	-	42,143,153	42,143,153	-	-	
High Cost Special Education Aid	363290-119	255.210	-	42,993	42,993	-	-	
Aid for Mental Health Programs	363290-176	255.227	-	23,471	23,471	-	-	
School Based Mental Health Services	363290-177	255.297	-	149,062	149,062	-	-	
School Breakfast Program	363290-108	255.344	-	10,173	10,173	-	-	
Early College Credit Program	363290-178	255.445	-	60,499	60,499	-	-	
Achievement Gap Reduction	363290-160	255.504	-	944,792	944,792	-	-	
Educator Effectiveness Evaluation System	363290-154	255.940	-	34,240	34,240	-	-	
Per Pupil Aid	363290-113	255.945	-	3,538,598	3,538,598	-	-	
Career and Technical Education Incentive	363290-152	255.950	-	78,688	78,688	-	-	
Assessment of Reading Readiness	363290-166	255.956	-	5,532	5,532	-	-	
Aid for Special Education Transition Grant BBL	363290-168	255.960	-	18,005	18,005	-	-	
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			-	51,174,426	51,174,426	-	-	
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
Cooperative Educational Service Agency #6								
Youth Apprenticeship State Grant	None	445.112	-	96,000	96,000	-	-	
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			-	96,000	96,000	-	-	
WISCONSIN DEPARTMENT OF JUSTICE								
Critical Incident Mapping Data Grant	18-SSI-10B-019068-MR-01	None	-	24,235	24,235	-	-	
Speak Up Speak Out Grant	None	None	-	9,997	9,997	-	-	
TOTAL WISCONSIN DEPARTMENT OF JUSTICE			-	34,232	34,232	-	-	
WISCONSIN DEPARTMENT OF NATURAL RESOURCES								
Payment in Lieu of Taxes	None	None	-	12,241	12,241	-	-	
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES			-	12,241	12,241	-	-	
WISCONSIN DEPARTMENT OF REVENUE								
Exempt Computer Aid	None	None	103,054	103,054	108,161	108,161	-	
Exempt Personal Property Aid	None	None	-	481,146	481,146	-	-	
TOTAL WISCONSIN DEPARTMENT OF REVENUE			103,054	584,200	589,307	108,161	-	
TOTAL STATE FINANCIAL ASSISTANCE			\$ 103,054	\$ 51,903,665	\$ 51,908,772	\$ 108,161	\$ -	

The accompanying notes are an integral part of these statements.

MANITOWOC PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1 - Basis of Presentation

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

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents Program

2024-2025 eligible costs under the State Special Education Program are \$12,976,224.

NOTE 4 - Food Distribution Program

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

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Manitowoc Public School District
Manitowoc, 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 Manitowoc Public School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Manitowoc Public School District's basic financial statements and have issued our report thereon dated January 22, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Manitowoc Public School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters, 2025-003, that are required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs.

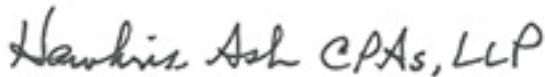
Manitowoc Public School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Manitowoc Public School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Manitowoc Public School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the 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 Manitowoc Public School 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 Manitowoc Public School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
January 22, 2026



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

To the Board of Education
Manitowoc Public School District
Manitowoc, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Manitowoc Public School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Manitowoc Public School District's major federal and state programs for the year ended June 30, 2025. Manitowoc Public School 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, Manitowoc Public School 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, 2025.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of Manitowoc Public School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Manitowoc Public School 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 Manitowoc Public School 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 Manitowoc Public School 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 *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 Manitowoc Public School 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 *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 Manitowoc Public School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Manitowoc Public School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Manitowoc Public School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

HAWKINS ASH CPAS, LLP

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

Manitowoc, Wisconsin
January 22, 2026

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements? | Yes |

Federal Awards

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

6. Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.533/10.555/10.556/10.559/10.582	Child Nutrition Cluster
84.010	Title I

State Assistance

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

10. Identification of major state programs:

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

- | | |
|---|-------------|
| 11. Dollar threshold used to distinguish between: | |
| Type A and Type B federal programs: | \$750,000 |
| Type A and Type B state programs: | \$1,000,000 |
| 12. Auditee qualified as low-risk auditee? | No |

Section II - Financial Statement Findings and Questioned Costs

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2025

2025-001 - Preparation of Financial Statements

Program: District-Wide

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

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

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

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

Information: Isolated instance.

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

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

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

2025-002 - Material Audit Adjustments

Program: District-Wide

Criteria: Generally accepted accounting principles.

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

Questioned Costs: Not applicable.

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

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

Information: Systemic problem.

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

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2025

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

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

2025-003 - District Aid Certification

Program: District-Wide.

Criteria: Wisconsin Department of Public Instruction regulation requires the District Aid Certification be filed with them by September 1, 2025.

Condition: The District Aid Certification was not filed by September 1, 2025.

Questioned Cost: Not applicable.

Context: The District did not file the District Aid Certification by September 1, 2025. The District Aid Certification was filed on November 11, 2025.

Effect: The District did not comply with the Wisconsin Department of Public Instruction regulatory requirements.

Information: Isolated instance.

Prior Year Finding: This was a prior year finding numbered 2024-003.

Recommendation: The District should file the District Aid Certification by September 1, 2025.

Management's Response: We were unable to provide the requested information to the auditors in a timely manner to submit the District Aid Certification on time.

Section III - Federal and State Award Findings and Questioned Costs

None.

Section IV - Other Issues

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

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

Wisconsin Department of Justice	No
Wisconsin Department of Natural Resources	No

MANITOWOC PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2025

Wisconsin Department of Public Instruction	No
Wisconsin Department of Revenue	No
Wisconsin Department of Workforce Development	No

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

4. Name and signature of partner

Kevin Behnke, CPA

Kevin Behnke, Partner



Manitowoc Public School District

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

Summary Schedule of Prior Audit Findings

2024-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/19.

2024-002 - Material Audit Adjustments - Repeat. Initially occurred 6/30/21.

2024-003 - District Aid Certification - Repeat. Initially occurred 6/30/23.

Corrective Action Plan

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

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

2025-003 - District Aid Certification - Contact: Nathan Mielke, Executive Director of Business & Operations. Completion date: September 11, 2026. The District will complete the WISEdata and student information system communication update in a timely manner to submit the District Aid Certification on time.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Manitowoc Public School District, Manitowoc County, Wisconsin (the "Issuer") in connection with the issuance of \$11,000,000 General Obligation Promissory Notes, dated April 8, 2026 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on January 14, 2025 and March 10, 2026 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated March 10, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the School Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Manitowoc Public School District, Manitowoc County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the District Administrator of the Issuer who can be contacted at 2902 Lindbergh Drive, Manitowoc, Wisconsin 54220, phone (920) 686-4777, fax (920) 686-4780.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year ending June 30, 2026, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE DISTRICT - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 8th day of April, 2026.

(SEAL)

Paul B. Hansen
District President

Keith W. Shaw
District Vice President/Clerk

APPENDIX C

FORM OF LEGAL OPINION

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

April 8, 2026

Re: Manitowoc Public School District, Wisconsin ("Issuer")
\$11,000,000 General Obligation Promissory Notes,
dated April 8, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2028	\$ 695,000	___%
2029	850,000	___
2030	895,000	___
2031	940,000	___
2032	990,000	___
2033	1,040,000	___
2034	1,090,000	___
2035	1,150,000	___
2036	1,210,000	___
2037	305,000	___
2038-2045	--	--
2046	1,835,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027.

The Notes maturing on April 1, 2036 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2035 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.
3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX D

OFFICIAL NOTICE OF SALE

FOR

**MANITOWOC PUBLIC SCHOOL DISTRICT
Manitowoc County, Wisconsin**

\$11,000,000 General Obligation Promissory Notes

Sale Data:

Sale Date and Time: Tuesday, March 10, 2026
9:30 a.m. Central Time

Place: Robert W. Baird & Co. Incorporated
Public Finance Department
777 East Wisconsin Avenue, 25th Floor
Milwaukee, Wisconsin 53202

Attention: Ms. Natalie Rouse
Phone: (414) 298-2645

Bids will also be accepted electronically
via PARITY

OFFICIAL NOTICE OF SALE

\$11,000,000
MANITOWOC PUBLIC SCHOOL DISTRICT
MANITOWOC COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED APRIL 8, 2026 (THE "NOTES")

NOTICE IS HEREBY GIVEN that bids will be received by the Manitowoc Public School District, Manitowoc County, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Natalie Rouse, until 9:30 a.m. (Central Time) on:

March 10, 2026

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above or submitted electronically via PARITY, as described below. Bid forms are available from Baird upon request. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Manitowoc Public School District Notes". A meeting of the School Board will be held on said date for the purpose of taking action on such bids as may be received. Bids will only be considered by the School Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated April 8, 2026 and will mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>
2028	\$ 695,000
2029	850,000
2030	895,000
2031	940,000
2032	990,000
2033	1,040,000
2034	1,090,000

* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities of the Notes. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amount of the Notes will remain the same.

<u>Year</u>	<u>Principal Amount*</u>
2035	\$1,150,000
2036	1,210,000
2037	305,000
2038-2045	--
2046	1,835,000

Interest: Interest on the Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2027 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes maturing on April 1, 2036 and thereafter will be subject to redemption prior to maturity, at the option of the District, on April 1, 2035 or on any date thereafter. Said Notes will be redeemable as a whole or in part, and if in part, from maturities selected by the District, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Term Bonds at Bidder's Option: Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Mandatory Redemption: Any term bonds specified shall be subject to mandatory sinking fund redemption in part prior to their scheduled maturity dates on April 1 of certain years, as more fully described in the Dates and Maturities section herein, at a price of par plus accrued interest to the date of redemption.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purpose of paying the remaining portion of the cost of a district-wide school facility improvement project consisting of: capital maintenance, remodeling, building infrastructure, systems, security and site improvements at district facilities; and acquisition of furnishings, fixtures and equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities of the Notes. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amount of the Notes will remain the same.

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by Associated Trust Company, National Association, the District's fiscal agent with respect to the Notes (the "Fiscal Agent"). The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Not Qualified Tax-Exempt Obligations: The Notes shall not be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but all Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$11,000,000) nor more than One Hundred Six Percent (106%) of the principal amount of the Notes (\$11,660,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible

bidder whose proposal results in the lowest true interest cost to the District, as calculated prior to any adjustments as described above.

The underwriter shall be responsible for paying all costs of issuance on behalf of the District. These costs include the financial advisor fee, fiscal agent fee, attorney fees, rating agency fee, and the fees for preparing and printing the Preliminary and Final Official Statement and other miscellaneous expenses of the District incurred in connection with the offering and delivery of the Notes. The total of these costs is \$125,300.00.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of bid form (if any). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of bid form (if any).

Good Faith Deposit: A cashier's check in the amount of \$220,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$220,000 shall be made by the winning bidder by federal wire transfer as directed by the District Vice

President/Clerk or District Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (March 10, 2026) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's electronic transmission of the bid or the bid form (if any). Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin ("Bond Counsel"). A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public

or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must specify one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule"). The form of the Underwriter's Certificate will be modified to reflect compliance with the requirements of the rule selected by the underwriter.

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter

participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any

agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf

format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the School Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Natalie Rouse at (414) 298-2645, Rebekah Freitag at (414) 765-7031, or the undersigned.

Nathan Mielke
Director of Business Services
Manitowoc Public School District
2902 Lindbergh Drive
Manitowoc, Wisconsin 54220
Phone: (920) 686-4777

Exhibit A
(to Official Notice of Sale)

Manitowoc Public School District, Wisconsin ("District")
\$11,000,000
General Obligation Promissory Notes,
dated April 8, 2026

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

[2. *Bond Insurance.*

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

____. ***Defined Terms.***

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is March 10, 2026.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: _____

Name: _____

Dated: April 8, 2026

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)