VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025



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VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	7
BALANCE SHEET – GOVERNMENTAL FUNDS	8
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL FUNDS	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	11
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	13
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	14
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	15
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	16
NOTES TO BASIC FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	62
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND	63
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)	64
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION	64
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – SUPPLEMENTAL PENSION	65
SCHEDULE OF INVESTMENT RETURNS	70

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY 70

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCAL RETIREE LIFE INSURANCE FUND 70

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION 71

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET 76

OTHER NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 77

SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS 78

ANALYSIS OF LOCAL LEVY 79

OTHER INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AND AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 81

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 83

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INDEPENDENT AUDITORS' REPORT

Board of Education
Verona Area School District
Verona, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and the pension and other postemployment benefits (OPEB) schedules 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 GAAS, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund statements, the schedule of charter school authorizer operating costs, and the analysis of local levy (the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 10, 2025

BASIC FINANCIAL STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 21,175,626	$ 1,000	$ 21,176,626
Receivables:			
Taxes	27,075,658	-	27,075,658
Accounts	108,609	29,313	137,922
Internal Balances	(1,046,803)	1,046,803	-
Due from Other Governments	996,579	48,492	1,045,071
Due from Employee Benefit Trust Fund	703,753	9,386	713,139
Prepaid Supplies and Items	78,182	36,272	114,454
Capital Assets:			
Nondepreciable	22,725,068	-	22,725,068
Depreciable, Net	195,844,712	562,379	196,407,091
Total Assets	267,661,384	1,733,645	269,395,029
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	469,281	-	469,281
Pension Related Amounts	25,746,705	355,516	26,102,221
Other Postemployment Related Amounts	6,967,950	110,871	7,078,821
Total Deferred Outflows of Resources	33,183,936	466,387	33,650,323
LIABILITIES			
Short-Term Notes Payable	3,200,000	-	3,200,000
Accounts Payable	2,128,802	1,049	2,129,851
Accrued and Other Current Liabilities	8,514,326	-	8,514,326
Accrued Interest Payable	1,126,469	-	1,126,469
Unearned Revenues	532,047	86,763	618,810
Long-Term Obligations:			
Due in One Year	10,644,008	-	10,644,008
Due in More Than One Year	103,502,735	-	103,502,735
Other Postemployment Benefits Liability	5,206,642	99,184	5,305,826
Pension Liability	13,491,663	64,667	13,556,330
Total Liabilities	148,346,692	251,663	148,598,355
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	16,273,299	190,775	16,464,074
Other Postemployment Related Amounts	3,472,052	64,246	3,536,298
Total Deferred Inflows of Resources	19,745,351	255,021	20,000,372
NET POSITION			
Net Investment in Capital Assets	111,264,721	562,379	111,827,100
Restricted:			
Debt Service	3,423,897	-	3,423,897
Scholarships	84,322	-	84,322
Student Organizations	301,862	-	301,862
Special Projects	1,024,485	-	1,024,485
Grants	25,894	-	25,894
Capital Expansion	1,601,486	-	1,601,486
Unrestricted	15,026,610	1,130,969	16,157,579
Total Net Position	$ 132,753,277	$ 1,693,348	$ 134,446,625

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
Instruction	$ 69,840,736	$ 4,837,562	$ 8,932,597	$ (56,070,577)	$ -	$ (56,070,577)
Support Services	44,732,513	-	2,089,080	(42,643,433)	-	(42,643,433)
Community Services	1,346,689	634,277	-	(712,412)	-	(712,412)
Nonprogram	2,734,049	-	132,716	(2,601,333)	-	(2,601,333)
Interest and Fiscal Charges	4,032,096	-	-	(4,032,096)	-	(4,032,096)
Depreciation and Amortization - Unallocated	38,101	-	-	(38,101)	-	(38,101)
Total Governmental Activities	122,724,184	5,471,839	11,154,393	(106,097,952)	-	(106,097,952)
BUSINESS-TYPE ACTIVITIES						
School Food Service Program	3,315,408	1,394,869	1,589,495	-	(331,044)	(331,044)
Total School District	$ 126,039,592	$ 6,866,708	$ 12,743,888	(106,097,952)	(331,044)	(106,428,996)
GENERAL REVENUES						
Property Taxes				78,335,620	-	78,335,620
State and Federal Aids not Restricted to Specific Functions				34,645,882	-	34,645,882
Miscellaneous				260,966	-	260,966
Total General Revenues				113,242,468	-	113,242,468
CHANGE IN NET POSITION				7,144,516	(331,044)	6,813,472
Net Position - Beginning of Year				125,608,761	2,024,392	127,633,153
NET POSITION - END OF YEAR				$ 132,753,277	$ 1,693,348	$ 134,446,625

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Referendum Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and Investments	$ 17,132,021	$ 1,201,852	$ 2,841,753	$ 21,175,626
Receivables:				
Taxes	27,075,658	-	-	27,075,658
Accounts	82,578	-	26,031	108,609
Due from Other Funds	26,537,999	7,180,373	4,653,358	38,371,730
Due from Employee Benefit Trust Fund	699,605	-	4,148	703,753
Due from Other Governments	996,579	-	-	996,579
Prepaid Items	78,182	-	-	78,182
Total Assets	$ 72,602,622	$ 8,382,225	$ 7,525,290	$ 88,510,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Short-Term Notes Payable	$ 3,200,000		$ -	$ 3,200,000
Accounts Payable	1,854,156	-	274,646	2,128,802
Accrued and Other Current Liabilities	8,514,326	-	-	8,514,326
Accrued Interest Payable	146,667	-	-	146,667
Due to Other Funds	32,740,330	3,978,526	2,699,677	39,418,533
Unearned Revenues	-	-	532,047	532,047
Total Liabilities	46,455,479	3,978,526	3,506,370	53,940,375
FUND BALANCES				
Nonspendable	78,182	-	-	78,182
Restricted	25,894	4,403,699	4,018,920	8,448,513
Committed	362,215		-	362,215
Assigned	25,680,852	-	-	25,680,852
Total Fund Balances	26,147,143	4,403,699	4,018,920	34,569,762
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 72,602,622	$ 8,382,225	$ 7,525,290	$ 88,510,137

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL FUNDS
JUNE 30, 2025

Total fund balances as shown on previous page	$ 34,569,762
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	218,569,780
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Charge on Refunding	469,281
Deferred Outflows Related to Pensions	25,746,705
Deferred Inflows Related to Pensions	(16,273,299)
Deferred Outflows Related to Other Postemployment Benefits	6,967,950
Deferred Inflows Related to Other Postemployment Benefits	(3,472,052)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(106,360,000)
Premium on Bonds and Notes Payable	(3,102,382)
Discount on Bonds and Notes Payable	33,263
Lease Liability	(1,652,377)
Compensated Absences	(3,065,247)
Other Postemployment Benefits Liability	(5,206,642)
Pension Liability	(13,491,663)
Accrued Interest on Long-Term Obligations	(979,802)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 132,753,277

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Debt Service	Other Governmental Funds	Total
REVENUES				
Property Taxes	$ 60,277,307	$ 16,101,675	$ 1,956,638	$ 78,335,620
Other Local Sources	3,116,192	62,339	2,328,220	5,506,751
Interdistrict Sources	1,647,888	-	-	1,647,888
Intermediate Sources	3,160	-	-	3,160
State Sources	41,111,443	-	-	41,111,443
Federal Sources	2,765,265	-	199,147	2,964,412
Other Sources	260,966	-	38,460	299,426
Total Revenues	109,182,221	16,164,014	4,522,465	129,868,700
EXPENDITURES				
Instruction:				
Regular Instruction	35,957,844	-	718,635	36,676,479
Vocational Instruction	2,325,467	-	37,040	2,362,507
Special Education Instruction	10,851,714	-	-	10,851,714
Other Instruction	9,514,632	-	1,008,919	10,523,551
Total Instruction	58,649,657	-	1,764,594	60,414,251
Support Services:				
Pupil Services	6,550,085	-	-	6,550,085
Instructional Staff Services	7,365,175	-	-	7,365,175
General Administration Services	3,052,861	-	-	3,052,861
School Administration Services	5,213,200	-	245,362	5,458,562
Business Services	1,330,418	-	3,475	1,333,893
Operations and Maintenance of Plant	18,326,550	-	1,725,793	20,052,343
Pupil Transportation Services	4,949,377	-	59,293	5,008,670
Central Services	788,350	-	-	788,350
Insurance	1,030,361	-	-	1,030,361
Other Support Services	4,185,406	-	132,397	4,317,803
Total Support Services	52,791,783	-	2,166,320	54,958,103
Debt Service:				
Principal	754,777	15,470,000	-	16,224,777
Interest and Fiscal Charges	245,834	4,252,637	-	4,498,471
Total Debt Service	1,000,611	19,722,637	-	20,723,248
Community Service	-	-	1,329,050	1,329,050
Nonprogram:				
General Tuition Payments	1,614,551	-	-	1,614,551
Special Education Tuition Payments	273,250	-	6,138	279,388
Adjustments and Refunds	119,117	-	-	119,117
Voucher Payments	720,993	-	-	720,993
Total Nonprogram	2,727,911	-	6,138	2,734,049
Total Expenditures	115,169,962	19,722,637	5,266,102	140,158,701
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,987,741)	(3,558,623)	(743,637)	(10,290,001)
OTHER FINANCING SOURCES (USES)				
Capital Lease Issued	2,407,155	-	-	2,407,155
Transfers In	-	2,297,860	-	2,297,860
Transfers Out	(2,297,860)	-	-	(2,297,860)
Total Other Financing Sources (Uses)	109,295	2,297,860	-	2,407,155
NET CHANGE IN FUND BALANCES	(5,878,446)	(1,260,763)	(743,637)	(7,882,846)
Fund Balances - Beginning of Year	32,025,589	5,664,462	4,762,557	42,452,608
FUND BALANCES - END OF YEAR	$ 26,147,143	$ 4,403,699	$ 4,018,920	$ 34,569,762

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net change in fund balances as shown on previous page	$ (7,882,846)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital Assets Reported as Expenditures Reported in Governmental Fund Statements	13,673,696
Depreciation/Amortization Expense Reported in the Statement of Activities	(6,524,683)
Net Book Value of Disposals	(10,036)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Capital Leases Issued	(2,407,155)
Principal Repaid	15,470,000
Capital Leases Paid	754,778
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued Interest on Long-Term Debt	97,101
Amortization of Premium, Discount and Loss on Advance Refunding	369,273
Compensated Absences	(12,936)
Net Pension Liability	(2,061,978)
Deferred Outflows of Resources Related to Pensions	(10,098,189)
Deferred Inflows of Resources Related to Pensions	5,120,431
Other Postemployment Benefits	213,060
Deferred Outflows of Resources Related to Other Postemployment Benefits	(331,296)
Deferred Inflows of Resources Related to Other Postemployment Benefits	775,296
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$ 7,144,516

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2025

	2025
ASSETS	
Cash and Investments	$ 1,000
Receivables	
Accounts	29,313
Due from Other Funds	1,046,803
Due from Employee Benefit Trust Fund	9,386
Due from Other Governments	48,492
Prepaid Supplies and Items	36,272
Capital Assets:	
Depreciable, Net	562,379
Total Assets	1,733,645
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	355,516
Other Postemployment Related Amounts	110,871
Total Deferred Outflows of Resources	466,387
LIABILITIES	
Accounts Payable	1,049
Unearned Revenues	86,763
Long-Term Obligations	
Other Postemployment Benefits Liability	99,184
Net Pension Liability	64,667
Total Liabilities	251,663
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	190,775
Other Postemployment Related Amounts	64,246
Total Deferred Inflows of Resources	255,021
NET POSITION	
Investment in Capital Assets	562,379
Unrestricted	1,130,969
Total Net Position	$ 1,693,348

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	2025
OPERATING REVENUES	
Food Sales	$ 1,394,869
State Sources	52,486
Federal Sources	1,509,743
Other Sources	27,266
Total Operating Revenues	2,984,364
OPERATING EXPENSES	
Salaries, Wages, and Benefits	1,364,793
Purchased Services	69,729
Supplies and Materials	1,841,152
Other	(5,031)
Depreciation	44,765
Total Operating Expenses	3,315,408
CHANGE IN NET POSITION	(331,044)
Net Position - Beginning of Year	2,024,392
NET POSITION - END OF YEAR	$ 1,693,348

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 1,414,560
Cash Received from Other Government Payments	1,526,799
Cash Payments to Employees	(1,334,950)
Cash Payments to Suppliers	(1,488,913)
Net Cash Provided by Operating Activities	117,496
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Capital Assets	(117,496)
NET INCREASE IN CASH AND CASH EQUIVALENTS	-
Cash and Cash Equivalents - Beginning of Year	1,000
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,000
RECONCILIATION OF CHANGE IN NET POSITION TO CASH PROVIDED BY OPERATING ACTIVITIES:	
Change in Net Position	$ (331,044)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:	
Depreciation	44,765
Change in Operating Assets and Liabilities	
Accounts Receivables	(7,575)
Inventories and Prepaid Items	(6,869)
Due from Other Governments	(30,401)
Accounts Payable	(30,763)
Due from/to Other Funds	454,569
Net Pension Liability and Related Deferred Outflows/Inflows	8,082
Net OPEB Asset and Related Deferred Outflows/Inflows	21,761
Unearned Revenue	(5,029)
Net Cash Provided by Operating Activities	$ 117,496

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2025

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ASSETS		
Cash and Investments	$ 10,611,391	$ 1,345,111
LIABILITIES		
Due to District Funds	713,139	-
NET POSITION		
Restricted for:		
OPEB Benefits	9,898,252	-
Stipend Benefits	-	1,345,111
Total Net Position	$ 9,898,252	$ 1,345,111

See accompanying Notes to Basic Financial Statements.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Employee Benefit Trust Fund	
	OPEB Benefits	Stipend Benefits
ADDITIONS		
Investment Earnings	$ 388,952	$ 218,773
Total Additions	388,952	218,773
DEDUCTIONS		
Benefit Payments	1,021,690	1,726,974
Administrative Expenses	19,890	11,190
Total Deductions	1,041,580	1,738,164
CHANGE IN NET POSITION	(652,628)	(1,519,391)
Net Position - Beginning of Year	10,550,880	2,864,502
NET POSITION - END OF YEAR	$ 9,898,252	$ 1,345,111

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

The District is organized as a common school district under the Wisconsin State Statutes. The District, governed by a seven-member elected school board, operates grades K through 12 and is comprised of all or parts of seven taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental and business-type 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

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

The District has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those accounted for in another fund. This fund includes activities associated with providing educational programs for students with disabilities.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. For report purposes, the District has combined its debt services funds into one fund.

The District has the following nonmajor governmental funds:

Special Revenue Fund

Capital Expansion Fund

Community Services Fund

Non-Referendum Debt Service Fund

Non-Referendum Capital Projects Fund

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The District operates one proprietary fund:

Food Service Fund – This fund accounts for the activities of the District's food service program.

Additionally, the District reports the following fiduciary fund:

Private Purpose Trust Funds – The District accounts for assets that are accumulated to finance retiree health insurance benefits and stipend benefits in an employee benefit trust fund.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary custodial funds do not have a measurement focus.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The District's cash and investments consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government investment pool fund.

Investments, other than the investments in the local government investment pool, are stated at fair value. Determination of net asset value for investment in the local government investment pool is based on information provided by the State of Wisconsin Investment Board.

2. Receivables and Payables

Property Taxes. Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. The county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

The District's property taxes are levied on or before October 31 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 31st, and a final payment no later than the following July 31st. 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 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which 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 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are classified as nonspendable fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. Inventories and Prepaid Items

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year’s cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or net realizable value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm except for intangible right-to-use assets, the measurement of which is discussed in Note 1. 11. Donated assets are reported at estimated acquisition value at the time received.

Assets not being depreciated include land and construction in progress. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Building Improvements	$ 5,000	Straight-line	20 - 50 Years
Land Improvements	5,000	Straight-line	20 Years
Food Service Equipment	5,000	Straight-line	5 - 20 Years
Other Furniture, Fixtures, and Equipment	5,000	Straight-line	5 Years
Library Books and Video Collections	5,000	Straight-line	5 Years
Right-to-Use Lease Assets - Equipment	5,000	Straight-line	3 - 5 Years

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. Deferred outflows of resources are reported in these financial statements related to pensions, other postemployment benefits, and loss on refunding.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. The District reports deferred inflows of resources related to pensions and other postemployment benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

8. Other Postemployment Benefits (OPEB) – Retiree Health and Local Retiree Life Insurance Fund (LRLIF) benefits

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

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

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

For purposes of measuring the net other postemployment benefits liability (asset) for retiree medical benefits, deferred OPEB charges, deferred OPEB credits, and the related OPEB expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

9. Pension Benefits – including Wisconsin Retirement System and Supplemental Pension

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

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

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

10. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. In the government-wide financial statement, premiums are capitalized on the statement of net position and amortized over the life of the related debt.

Premiums and discounts associated with the issuance of general obligation bonds and promissory notes are being amortized using the effective interest method over the life of the bonds and notes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

11. Leases

The District is a lessee for various pieces of equipment.

Lessee
The District recognizes a lease liability and an intangible right-to-use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases*.

At the commencement of a lease, the District determines based on the criteria dictated in GASB Statement No. 87, *Leases*, if the lease is a financed purchased or a lease liability. Then the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

An intangible right-to-use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to-use lease asset is reported with the District capital assets in its own category called Leased Assets (Right-to-Use).

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

12. Use of Restricted Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

13. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources is classified as follows in the District's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of 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. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period.

Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain an assigned portion of fund balance of at least 10% but not greater than 15% of the anticipated general fund expenditure budget for the subsequent year. In addition, the District shall strive to maintain a minimum fund balance in their self-funded dental insurance plan of 10% of premium costs.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Superintendent has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned, and finally unassigned fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

12. Equity Classifications (Continued)

Fund Financial Statements (Continued). The District's policy on fund balance is to maintain a level of fund balance which strives to avoid cash flow borrowing, help maintain the District's current high-quality bond ratings, to provide a resource for emergency expenditures, to build a reasonable reserve, and to ensure continuity of the District's self-funded dental insurance plan. See Note 12 for additional information regarding the District's fund balances.

NOTE 2 DEPOSITS AND INVESTMENTS

The debt service fund and capital projects fund account for their transactions through separate and distinct investment accounts as recommended by the Department of Public Instruction. In addition, the fiduciary fund trust funds use separate and distinct accounts. All other funds share in common bank and investments accounts.

The carrying amount of the District's cash and investments totaled $33,133,128 on June 30, 2025 as summarized below:

Petty Cash and Cash on Hand	$ 1,000
Deposits with Financial Institutions	15,458,284
Investments:	
Wisconsin Local Government Investment Pool	4,943,154
Wisconsin Investment Series Cooperative (WISC)	775,590
US Treasuries	999,902
Corporate Bonds	5,766,313
State and Municipal Bonds	1,675,880
FNMA	592,051
Money Market	1,276,841
Fixed Income Annuities	1,644,113
Total	$ 33,133,128

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and Investments	$ 21,176,626
Fiduciary Fund Statement of Net Position	
Employee Benefit Trust	11,956,502
Total	$ 33,133,128

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for demand deposit accounts and $250,000 for time deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of $1,000,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at June 30, 2025, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

As of June 30, 2025, the entire amount of the District's bank balance of $16,395,183 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments were uninsured and exposed to custodial credit risk as of June 30, 2025.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of June 30, 2025, the District's investments had credit ratings as follows:

	Credit Rating				
Investments	AAA/Aaa	AA+\Aa1	AA\Aa2	AA-\Aa3	A+\A1
Corporate Bonds	$ -	$ -	$ 92,852	$ 258,090	$ 1,391,932
State and Municipal Bonds	164,888	524,390	-	-	377,988
Total	$ 164,888	$ 524,390	$ 92,852	$ 258,090	$ 1,769,920

	Credit Rating				
Investments	A-\A3	BBB+\Baa1	BBB/Baa2	Not Defined	Total
US Treasuries	$ -	$ -	$ -	$ 999,902	$ 999,902
Corporate Bonds	794,201	642,322	1,590,896	305,991	5,766,313
State and Municipal Bonds	-	-	-	608,614	1,675,880
LGIP	-	-	-	4,943,154	4,943,154
WISC - Investment Class Fund	-	-	-	775,590	775,590
FNMA	-	-	-	592,051	592,051
Total	$ 794,201	$ 642,322	$ 1,590,896	$ 8,225,302	$ 14,752,890

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2025, the Wisconsin local government investment pool had a weighted average maturity of 3 days. The District's investments mature as follows:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	$ 4,943,154	$ 4,943,154	$ -	$ -	$ -
WISC Investments:					
Cash Management Series	368,327	368,327	-	-	-
Investment Series	407,263	407,263	-	-	-
U.S. Treauries	999,902	-	899,746	-	100,156
Corporate Bonds	5,766,313	-	-	1,118,427	4,647,886
State and Municipal Bonds	1,675,880	-	-	-	1,675,880
FNMA	592,051	182,175	-	-	409,876
Totals	$ 14,752,890	$ 5,900,919	$ 899,746	$ 1,118,427	$ 6,833,798

Concentration of Credit Risk

As of June 30, 2025, the District did not have a concentration of greater than 5% of in any individual investment.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

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

Financial assets and liabilities recorded on the statement of net position is based on the inputs to the valuation techniques as follows:

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

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

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

As of June 30, 2025, the District has the following assets subject to fair value measurement:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
WISC - Investment Class Fund	$ -	$ 775,590	$ -
US Treasuries	-	999,902	-
Corporate Bonds	-	5,766,313	-
State and Municipal Bonds	-	1,675,880	-
Fixed Income Annuities	-	1,644,113	-
FNMA	-	592,051	-
	$ -	$ 11,453,849	$ -

NOTE 3 CAPITAL ASSETS

Changes in the capital assets for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 15,561,655	$ 5,544,572	$ -	$ 21,106,227
Construction in Progress	353,500	1,265,341	-	1,618,841
Total Capital Assets, Nondepreciable	15,915,155	6,809,913	-	22,725,068
Capital Assets, Depreciable/Amortizable:				
Land Improvements	7,323,074	408,054	-	7,731,128
Buildings and Building Improvements	241,835,123	3,824,835	-	245,659,958
Machinery and Equipment	18,472,818	223,739	51,612	18,644,945
Leased Machinery and Equipment - Right to Use	-	2,407,155	-	2,407,155
Subtotals	267,631,015	6,863,783	51,612	274,443,186
Less Accumulated Depreciation/Amortization for:				
Land improvements	4,218,706	184,708	-	4,403,414
Buildings and Building Improvements	57,049,853	4,756,782	-	61,806,635
Machinery and Equipment	10,846,808	1,011,823	41,576	11,817,055
Leased Machinery and Equipment - Right to Use	-	571,370	-	571,370
Subtotals	72,115,367	6,524,683	41,576	78,598,474
Total Capital Assets, Depreciable, Net	195,515,648	339,100	10,036	195,844,712
Governmental Activities Capital Assets, Net	$ 211,430,803	$ 7,149,013	$ 10,036	218,569,780
Less: Capital Related Debt, less unspent bond proceeds				104,457,377
Less: Capital Related Premium, Net of Loss on Refunding				2,599,838
Less:Capital Related Accounts Payable				247,844
Net Investment in Capital Assets				$ 111,264,721

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Depreciable:				
Machinery and Equipment	$ 928,718	$ 117,496	$ -	$ 1,046,214
Less Accumulated Depreciation for:				
Machinery and Equipment	439,070	44,765	-	483,835
Total Capital Assets, Depreciable, Net	489,648	72,731	-	562,379
Business-Type Activities Capital Assets, Net	$ 489,648	$ 72,731	$ -	$ 562,379

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation/Amortization was charged to governmental functions as follows:

Instruction	
Regular Instruction	$ 5,872,215
Support services	
General Administrative Services	242,718
Operation and Maintenance of Plant	194,435
Pupil Transportation Services	173,557
Unallocated depreciation/amortization	41,758
Total depreciation/amortization expense - governmental activities	$ 6,524,683

NOTE 4 INTERFUNDS RECEIVABLES/PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 was as follows:

Due to/from Other Funds

	Interfund Receivables	Interfund Payables
Governmental Funds		
General	$ 27,237,604	$ 32,740,330
Debt Service Fund	7,180,373	3,978,526
Other Governmental Funds	4,657,506	2,699,677
Proprietary Fund		
Food Service	1,056,189	-
Fiduciary Fund		
Employee Benefit Trust	-	713,139
Totals	$ 40,131,672	$ 40,131,672

Transfers

Fund	Transfer In	Transfer Out
Governmental Funds		
General	$ -	$ 2,297,860
Debt Service Fund	2,297,860	-
	$ 2,297,860	$ 2,297,860

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 SHORT-TERM DEBT

Short-term notes payable at June 30, 2025, are as follows:

	Beginning Balance	Issued	Retired	Ending Balance
U.S. Bank National Association	$ -	$ 3,200,000	$ -	$ 3,200,000

The District issued tax and revenue anticipation promissory notes on October 24, 2024, in advance of property tax collections in the amount of $3,200,000 The notes are necessary because expenditure payments for the year begin in July, whereas the tax collections are received from the municipalities beginning in January. The notes bear interest at 2.5% and mature on September 24, 2025.

Total interest on short-term debt paid during the year was $-0-.

NOTE 6 LONG-TERM LIABILITIES

Long-term obligations of the District for the year ended June 30, 2025 were as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt Bonds	$ 121,830,000	$ -	$ 15,470,000	$ 106,360,000	$ 8,730,000
Premium on Debt Issuance	3,581,540	-	479,158	3,102,382	-
Discount on Debt Issuance	(39,447)	-	(6,184)	(33,263)	-
Lease Liability	-	2,407,155	754,778	1,652,377	518,281
Compensated Absences	3,052,311	444,821	431,885	3,065,247	952,066
Governmental Activities Long-Term Obligations	$ 128,424,404	$ 2,851,976	$ 17,129,637	$ 114,146,743	$ 10,200,347

General Obligation Debt

All general obligation debt is secured by the full faith and credit and taxing powers of the District. Individual general obligation long-term debt issues outstanding at June 30, 2025 and future principal and interest requirements for their retirement at that date were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/25
G.O. Refunding Bonds, Series 2015	4/8/15	9/1/34	2.65% - 4.00%	$ 25,335,000	$ 3,555,000
G.O. Corporate Purpose Bonds, Series 2017	11/21/17	4/1/37	2.00% - 5.00%	85,000,000	48,630,000
G.O. Corporate Purpose Bonds, Series 2018	11/19/18	4/1/38	3.25% - 5.00%	80,000,000	38,430,000
G.O. Refunding Bonds, Series 2020	9/8/20	3/1/34	0.3% - 1.65%	16,145,000	15,745,000
Total outstanding revenue bond anticipation notes					$ 106,360,000

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2025 were as follows:

	Governmental Activities		
Year Ended June 30,	Principal	Interest	Total
2026	$ 8,780,000	$ 3,812,876	$ 12,592,876
2027	9,130,000	3,418,982	12,548,982
2028	9,455,000	3,103,751	12,558,751
2029	9,735,000	2,811,870	12,546,870
2030	10,035,000	2,539,615	12,574,615
2031-2035	49,690,000	7,818,709	57,508,709
2036-2037	9,535,000	660,676	10,195,676
Total	$ 106,360,000	$ 24,166,479	$ 130,526,479

Total interest on long-term debt paid during the year was $4,236,643.

Legal Debt Limit

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is $7,147,283,054. The legal debt limit and margin of indebtedness as of June 30, 2025, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Equalized Valuation of the District	$ 7,147,283,054
Statutory Limitation Percentage	(x) 10%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	714,728,305
Outstanding General Obligation Debt Applicable to Debt Limitation	106,360,000
Legal Margin for New Debt	$ 608,368,305

Lease Liability

The District leases equipment under the terms of a long-term noncancelable lease agreement. The leases expire in 2028. Total lease payments under lease the agreement are as follows:

	Governmental Activities		
Year Ending December 31,	Principal	Interest	Total
2026	$ 518,281	$ 67,631	$ 585,912
2027	550,143	35,779	585,922
2028	583,953	1,970	585,923
Total Minimum Lease Payments	$ 1,652,377	$ 105,380	$ 1,757,757

Right-to-use assets acquired through outstanding leases consist of equipment of $2,407,155 and accumulated amortization of $571,370.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

WRS Pension 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, which can be found at https://etf.wi.gov/reports-and-studies/financial-reports-and-statements.

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

Vesting

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

Benefits Provided

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

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

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.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

The WRS also provides death and disability benefits for employees.

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 January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the District's reporting period ending June 30, 2025, the WRS recognized $4,327,860 in contributions from the employer.

Contribution rates as of June 30, 2025 are:

Employee Category	Employee	Employer
General (Including Teachers, Executives and Elected Officials)	6.95 %	6.95 %

Postretirement Adjustments

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

Year Ended June 30,	Core Fund Adjustment %	Variable Fund Adjustment %
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)
2024	3.6	15

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2025, the District reported a liability of $4,557,608 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.27736758%, which was an increase of 0.00717022% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $6,072,054.

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	$ 14,153,868	$ 13,300,196
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	6,925,527	-
Changes in Assumptions	1,352,331	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,564	145,345
Employer Contributions Subsequent to the Measurement Date	2,614,078	-
Total	$ 25,050,368	$ 13,445,541

The $2,614,078 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	(Revenue) Expense
2026	$ 2,688,772
2027	9,399,119
2028	(2,363,163)
2029	(733,979)
Total	$ 8,990,749

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the 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:	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	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* No postretirement adjustment is guaranteed/ Actual adjustments are based on recognized investment return, acturial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement 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, acturial assumptions used to measure the total pension liability changed from the 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 geometric real rates of return for each major asset class are summarized in the following table:

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	38.0 %	7.0 %	4.3 %
Public Fixed Income	27.0	6.1 %	3.4 %
Inflation Sensitive Assets	19.0	4.8 %	2.1 %
Real Estate	8.0	6.5 %	3.8 %
Private Equity/Debt	20.0	9.5 %	6.7 %
Leverage	(12.0)	3.7 %	1.1 %
Total Core Fund	100.0 %	7.5 %	4.8 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.5 %	3.8 %
International Equities	30.0	7.4 %	4.7 %
Total Variable Fund	100.0 %	6.9 %	4.2 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.6%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. 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 6.80% was used to measure the total pension liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% 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 6.80% 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.

NOTE 7 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, 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 (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	$ 42,756,318	$ 4,557,608	$ (22,581,479)

Payable to the Pension Plan

The District reported a payable to WRS of $1,098,486 as of June 30, 2025.

NOTE 8 SUPPLEMENTAL PENSION PLAN TIER 2-3

The District provides a single-employer defined benefit supplemental pension benefit to eligible administrators, teachers, and nonunion support staff that is administered as a trust.

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the agreement covering administrators, and the agreement covering nonunion support personnel, the District provides supplemental retirement benefits to these employees who elect early retirement. Nonunion support personnel may choose either the supplemental pension benefit or the other postemployment benefits described in Note 10, but not both. The actuarial valuation assumes that 100% will choose the supplemental pension benefit. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. For teachers, the benefit is equal to 20% of the employee's final salary rate for five years. For administrators, the benefit is equal to 25% of the employee's final salary rate for seven years, to be paid out over five years, or until the employee qualifies for Medicare benefits, whichever comes first. For nonunion support staff, the benefit is equal to 20% of the employee's final salary rate for seven years or until the employee qualifies for Medicare benefits, whichever comes first.

NOTE 8 SUPPLEMENTAL PENSION PLAN TIER 2-3 (CONTINUED)

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2025 and 2024, the plan has no legally-required reserves or designations, other than the net position of $1,345,111 and $2,864,502, respectively.

As of July 1, 2025, (the date used for participant data in the most recent actuarial valuation), the District had 61 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 136 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a net supplemental pension liability of $6,504,638 The net supplemental pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. For the year ended June 30, 2025, the District recognized pension expense of $986,439.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 827,976	$ 498,436
Changes in Assumptions	451	544,705
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	183,587	-
Total	$ 1,012,014	$ 1,043,141

NOTE 8 SUPPLEMENTAL PENSION PLAN TIER 2-3 (CONTINUED)

Such amounts will be recognized in pension expense as follows:

Year Ended June 30,	(Revenue) Expense
2026	$ 430,431
2027	(58,251)
2028	(375,515)
2029	(27,792)
2030	-
Thereafter	-
Total	$ (31,127)

Actuarial Assumptions

The total supplemental pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2025
Measurement Date of Net Pension Liability (Asset)	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.81%
Actuarial Assumptions	Based on rates developed from actual District experience as well as an experience study conducted in 2024 using WRS experience from 2021-23
Mortality Assumptions	2020 WRS Experience Tables using the fully generational MP-2021 projection scale from a base year of 2010

Service retirement assumptions are based upon rates development from actual District experience as well as the WRS 2021-2023 Experience Retirement Rates.

NOTE 8 SUPPLEMENTAL PENSION PLAN TIER 2-3 (CONTINUED)

Changes in Net Supplemental Pension Liability

Component	Total Pension Liability (a)	Change in Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Total Pension Liability at July 1, 2024	$ 10,327,579	$ 2,864,502	$ 7,463,077
Changes for the Year:			
Service Cost	256,309	-	256,309
Interest	383,690	-	383,690
Differences Between Expected and Actual Experience	(664,582)	-	(664,582)
Changes of Assumptions or Other Input	(726,273)	-	(726,273)
Benefit Payments	(1,726,974)	(1,726,974)	-
Net Investment Income	-	218,773	(218,773)
Administrative Expenses	-	(11,190)	11,190
Total Pension Liability at June 30, 2025	$ 7,849,749	$ 1,345,111	$ 6,504,638

Single Discount Rate

A single discount rate of 4.81% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.81%. This expected rate of return was based on a high-quality municipal bond rate. Based on these assumptions, the pension plan's fiduciary net 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 pension liability.

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

The following presents the District's net supplemental pension liability calculated using the discount rate of 4.81%, as well as what the district's net supplemental pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.81%) or one percentage point higher (5.81%) than the current rate:

	1% Decrease to Discount Rate (3.81%)	Current Discount Rate (4.81%)	1% Increase to Discount Rate (5.81%)
Total Pension Liability	$ 6,831,949	$ 6,504,638	$ 6,182,847

NOTE 9 SUPPLEMENTAL PENSION PLAN TIER 4

The District provides a single-employer defined benefit supplemental pension benefit to eligible administrators, teachers, and nonunion support staff that is administered as a trust.

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the agreement covering administrators, and the agreement covering nonunion support personnel, the District provides supplemental retirement benefits to these employees who elect early retirement. Nonunion support personnel may choose either the supplemental pension benefit or the other postemployment benefits described in Note 10, but not both. The actuarial valuation assumes that 100% will choose the supplemental pension benefit. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. For teachers, the benefit is equal to 20% of the employee's final salary rate for five years. For administrators, the benefit is equal to 25% of the employee's final salary rate for seven years, to be paid out over five years, or until the employee qualifies for Medicare benefits, whichever comes first. For nonunion support staff, the benefit is equal to 20% of the employee's final salary rate for seven years or until the employee qualifies for Medicare benefits, whichever comes first.

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2025 and 2024, the plan has no legally-required reserves or designations.

As of July 1, 2025, (the date used for participant data in the most recent actuarial valuation), there were no terminated members entitled to, but not yet receiving benefits. The District had 375 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

NOTE 9 SUPPLEMENTAL PENSION PLAN TIER 4 (CONTINUED)

Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a net supplemental pension liability of $2,494,084 The net supplemental pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. For the year ended June 30, 2025, the District recognized pension expense of $706,475.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 1,630,534
Changes in Assumptions	39,844	344,861
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Total	$ 39,844	$ 1,975,395

Such amounts will be recognized in pension expense as follows:

Year Ended June 30,	(Revenue) Expense
2026	$ (175,959)
2027	(175,959)
2028	(175,959)
2029	(175,959)
2030	(175,959)
Thereafter	(1,055,756)
Total	$ (1,935,551)

Actuarial Assumptions

The total supplemental pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2025
Measurement Date of Net Pension Liability (Asset)	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.81%
Actuarial Assumptions	Based on rates developed from actual District experience as well as an experience study conducted in 2024 using WRS experience from 2021-23.
Mortality Assumptions	2020 WRS Experience Tables using the fully generational MP-2021 projection scale from a base year of 2010.

NOTE 9 SUPPLEMENTAL PENSION PLAN TIER 4 (CONTINUED)

Service retirement assumptions are based upon rates development from actual District experience as well as the WRS 2021-2023 Experience Retirement Rates.

Changes in Net Supplemental Pension Liability

Component	Total Pension Liability (a)	Change in Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Total Pension Liability at July 1, 2024	$ 3,766,626	$ -	$ 3,766,626
Changes for the Year:			
Service Cost	718,634	-	718,634
Interest	163,800	-	163,800
Differences Between Expected and Actual Experience	(1,778,764)	-	(1,778,764)
Changes of Assumptions or Other Input	(376,212)	-	(376,212)
Total Pension Liability at June 30, 2025	$ 2,494,084	$ -	$ 2,494,084

Single Discount Rate

A single discount rate of 4.81% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.81%. This expected rate of return was based on a high-quality municipal bond rate. Based on these assumptions, the pension plan's fiduciary net 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 pension liability.

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

The following presents the District's net supplemental pension liability calculated using the discount rate of 4.81%, as well as what the district's net supplemental pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.81%) or one percentage point higher (5.81%) than the current rate:

	1% Decrease to Discount Rate (3.81%)	Current Discount Rate (4.81%)	1% Increase to Discount Rate (5.81%)
Total Pension Liability	$ 2,783,605	$ 2,494,084	$ 2,228,483

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN

The District maintains a single-employer defined benefit OPEB plan that is administered as a trust. The District accounts for OPEB under GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Benefits Provided

Under terms of its agreements with the Verona Area Education Association for Teachers, the Verona Area Educational Support Personnel Association, Nonunion Support Personnel, and the agreement covering administrators, the District provides other postemployment benefits (including medical insurance, dental insurance, and or long-term care coverage) to these employees who elect early retirement. Early retirement may be elected by eligible employees who have attained certain age and teaching experience levels and, in certain instances, with the approval of the District. The amount of the benefit is broken down into tiers, with tier eligibility being determined by years of service with the district, age, hire date, and retirement date.

Contributions and Other Plan Information

The funding policy of the plan states that the employer will fund 100% of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. There are no legal or contractual maximum contribution rates. During the reporting period, the plan recognized no contributions from the employer. The District has pre-funded the plan. At June 30, 2025 and 2024, the plan has no legally-required reserves or designations, other than the net position of $10,017,916 and $10,551,023, respectively.

As of July 1, 2025, (the date of the most recent actuarial valuation), the District had 34 retirees receiving benefits under the plan. There were no terminated members entitled to, but not yet receiving benefits. The District had 824 employees in active service eligible for benefits under the plan. The District's school board maintains the right to amend the provisions of the plan, including employer and employee obligations to contribute to the plan. The plan does not issue separate financial statements.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Investments

The District maintains a policy over the Employee Benefit Trust Fund with the primary objectives as follows:

- Return – Obtain a reasonable long-term return consistent with the level of risk assumed. Specific return objectives may include fund performance that exceeds the rate of inflation, the assumed discount rate, and/or the total fund policy return which is typically defined as a return of a passively managed benchmark comprised of the annual portfolio weights for each asset class.
- Cost – Seek to control the cost of funding the Employee Benefit Trust Fund within prudent levels of risk through the investment of Trust assets.
- Diversification – Provide diversification of assets in an effort to avoid the risk of large losses and maximize the investment return to the Employee Benefit Trust Fund consistent with market and economic risk.
- Safety – Preservation of principal by avoiding overly risky alternatives that may provide additional investment return but subject the portfolio to above market risk of large losses.

As of June 30, 2025, the District's policy does not define asset allocation with defined target allocations.

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 0.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Net OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported a net OPEB liability of $3,706,092. The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2025. For the year ended June 30, 2025, the District recognized OPEB expense of $2,005,140.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 4,057,577	$ 2,061,859
Changes in Assumptions	1,151,206	278,781
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,332,717	-
Total	$ 6,541,500	$ 2,340,640

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Such amounts will be recognized in OPEB expense as follows:

Year Ended June 30,	Expense
2026	$ 1,259,441
2027	497,349
2028	681,661
2029	616,245
2030	334,708
Thereafter	811,456
Total	$ 4,200,860

Single Discount Rate

A single discount rate of 4.81% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.81%. This expected rate of return was based on a high-quality municipal bond rate of 4.81%. Based on these assumptions, the OPEB plan's fiduciary net 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2025
Measurement Date of Net OPEB Asset	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Health Care Trend	7% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount Rate	4.81%
Actuarial Assumptions	Based on rates developed from actual District experience as well as an experience study conducted in 2024 using WRS experience from 2021-23.
Mortality Assumptions	2020 WRS Experience Tables using the fully generational MP-2021 projection scale from a base year of 2010.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Sources of changes in Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Change in Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at July 1, 2024	$ 14,292,674	$ 10,551,023	$ 3,741,651
Changes for the Year:			
Service Cost	679,669	-	679,669
Interest	656,603	-	656,603
Contributions - Employer	-	-	-
Differences Between Expected and Actual Experience	(1,055,926)	-	(1,055,926)
Changes of Assumptions or Other Input	53,014	-	53,014
Benefit Payments	(902,026)	(902,026)	-
Adjustment	-	(141)	141
Net Investment Income	-	388,952	(388,952)
Administrative Expenses	-	(19,892)	19,892
Net Changes	(568,666)	(533,107)	(35,559)
Balance at June 30, 2025	$ 13,724,008	$ 10,017,916	$ 3,706,092

Sensitivity of the District's Net OPEB liability to Changes in the Discount Rate and Health Care Trend Rate

The following presents the net OPEB asset of the district calculated using the discount rate of 4.81%, as well as what the district's net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower (3.81%) or one percentage-point higher (5.81%) than the current rate:

	1% Decrease to Discount Rate (3.81%)	Current Discount Rate (4.81%)	1% Increase to Discount Rate (5.81%)
Total OPEB Liability	$ 4,608,837	$ 3,706,092	$ 2,856,485

The following presents the net OPEB asset of the District calculated using the healthcare trend rate of 7.00% decreasing to 4.50%, as well as what the District's net OPEB asset would be if it were calculated using a healthcare trend rate that is one percentage-point lower (6.00% decreasing to 3.50%) or one percentage-point higher (8.00% decreasing to 5.50%) than the current rate:

	1% Decrease (6.00% Decreasing to 3.50%)	Health Care Cost Trend Rates (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Total OPEB Liability	$ 3,591,962	$ 3,706,092	$ 3,817,208

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan Description

The LRLIF is a multiple-employer, defined benefit other postemployment 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 members.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at http://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 up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

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

Employers are required to pay the following contributions based on member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2025 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Contributions (Continued)

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

Life Insurance
Member Contribution Rates
For the Year Ended December 31, 2024

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

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

During the year ending June 30, 2025, contributions to the LRIF from the District were not material to these financial statements.

LRLIF Liability, LRLIF Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF

At June 30, 2025, the District reported a liability of $1,599,734 for its proportionate share of the net LRLIF liability. The net LRLIF liability was measured as of December 31, 2024, and the total LRLIF liability used to calculate the net LRLIF liability 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 LRLIF liability was based on the District's share of contributions to the LRLIF plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.40890300%, which was an increase of 0.02671700% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized LRLIF expense of $64,680.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 166,429
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	21,968	-
Changes in Assumptions	392,529	897,257
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	122,824	131,972
Total	$ 537,321	$ 1,195,658

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

Year Ended June 30,	(Revenue) Expense
2026	$ (77,495)
2027	(151,099)
2028	(194,136)
2029	(168,815)
2030	(29,523)
Thereafter	(37,269)
Total	$ (658,337)

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Actuarial Assumptions

The total LRLIF liability in the 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	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers 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. The target allocation and expected returns are summarized in the following table:

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return Percent
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40.0 %	2.41%
U.S. Mortgages	Bloomberg US MBS	60.0 %	2.71%
Inflation			2.30%
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 significant 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 members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 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.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net LRLIF Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net LRLIF liability calculated using the discount rate of 4.09%, as well as what the District's proportionate share of the net LRLIF liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) 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	$ 2,138,268	$ 1,599,734	$ 1,184,745

NOTE 12 FUND BALANCE AND NET POSITION

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2025, nonspendable fund balance was as follows:

General Fund	
Prepaid Items	$ 78,182

NOTE 12 FUND BALANCE AND NET POSITION (CONTINUED)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2025, restricted fund balance was as follows:

General Fund	
Restricted for	
Grants	$ 25,894
Special Revenue Funds	
Restricted for	
Community Service	926,278
Scholarships	84,322
Student Organizations	301,862
Special Projects	1,024,485
Debt Service Funds	
Restricted for	
Debt Service	4,403,699
Capital Projects Fund	
Restricted for	
Capital Expansion	1,601,486
Non-Referendum Capital Projects Fund	
Restricted for	
Capital Projects	80,487
Total Restricted Fund Balance	$ 8,448,513

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by the District. At June 30, 2025, fund balance was assigned as follows:

General Fund	
Committed for	
Self-Funded Insurance	$ 362,215

NOTE 13 COMMITMENTS AND CONTINGENT LIABILITIES

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recognized by the District as a reservation of fund balance. As of June 30, 2025, there are no material encumbrances outstanding.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believe such disallowances, if any, would be immaterial.

NOTE 14 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and special revenue funds. The statutes do not require a limit at which expenditures may not legally exceed appropriations. Any appropriations lapse at year-end.

NOTE 15 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

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

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

Under 2011 Wisconsin Act 32, the District adopted a resolution and was granted authority to increase its revenue limit by the amount spent on a project to implement energy efficiency measures or to purchase energy efficiency projects, including the payment of debt service on bond or notes issued to finance the project.

NOTE 16 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2025:

Funds	Excess Expenditures
General Fund	
Instruction:	
Other Instruction	$ 363,800
Support Services:	
Pupil Services	30,498
Instructional Staff Services	381,009
School Administration Services	52,963
Pupil Transportation Services	37,271
Insurance	294,963
Other Support Services	2,216,407
Nonprogram:	
General Tuition Payments	131,810
Adjustments and Refunds	1,498
Voucher Payments	81,896
Special Education Fund	
Support Services:	
Pupil Services	8,404
Pupil Transportation Services	625,721
Other Support Services	24,924
Nonprogram:	
Special Education Tuition Payments	54,589

NOTE 17 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 18 SUBSEQUENT EVENTS

On October 23, 2025 the District authorized issuing a $7,500,000 Tax and Revenue Anticipation Promissory Note.

On September 12, 2025 the District authorized issuing a $7,000,000 Tax and Revenue Anticipation Promissory Note for cash flow purposes.

NOTE 19 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. No change or restatement has resulted due to the implementation of this standard.

REQUIRED SUPPLEMENTARY INFORMATION

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property Taxes	$ 60,277,307	$ 60,277,307	$ 60,277,307	$ -
Other Local Sources	1,093,021	1,807,287	3,116,192	1,308,905
Interdistrict Sources	1,478,587	1,638,504	1,630,727	(7,777)
Intermediate Sources	-	-	3,160	3,160
State Sources	35,606,461	35,606,461	36,406,352	799,891
Federal Sources	1,086,772	1,086,772	1,409,823	323,051
Other Sources	174,350	174,350	260,966	86,616
Total Revenues	99,716,498	100,590,681	103,104,527	2,513,846
EXPENDITURES				
Instruction:				
Regular Instruction	36,531,934	36,531,356	35,957,844	573,512
Vocational Instruction	2,348,710	2,348,710	2,325,467	23,243
Other Instruction	9,150,832	9,150,832	9,514,632	(363,800)
Total Instruction	48,031,476	48,030,898	47,797,943	232,955
Support Services:				
Pupil Services	3,532,030	3,532,030	3,562,528	(30,498)
Instructional Staff Services	5,272,834	5,272,834	5,653,843	(381,009)
General Administration Services	3,140,525	3,140,525	3,052,861	87,664
School Administration Services	5,159,659	5,160,237	5,213,200	(52,963)
Business Services	1,699,592	1,699,592	1,330,418	369,174
Operations and Maintenance of Plant	18,071,659	18,771,659	18,326,550	445,109
Pupil Transportation Services	3,597,155	3,597,155	3,634,426	(37,271)
Central Services	867,522	867,522	788,350	79,172
Insurance	735,398	735,398	1,030,361	(294,963)
Other Support Services	1,939,049	1,939,049	4,155,456	(2,216,407)
Total Support Services	44,015,423	44,716,001	46,747,993	(2,031,992)
Debt Service:				
Principal	-	-	754,777	(754,777)
Interest and Fiscal Charges	-	-	245,834	(245,834)
Total Debt Service	-	-	1,000,611	(1,000,611)
Nonprogram:				
General Tuition Payments	1,461,339	1,482,741	1,614,551	(131,810)
Adjustments and Refunds	-	117,619	119,117	(1,498)
Voucher Payments	639,097	639,097	720,993	(81,896)
Total Nonprogram	2,100,436	2,239,457	2,454,661	(215,204)
Total Expenditures	94,147,335	94,986,356	98,001,208	(3,014,852)
EXCESS OF REVENUES OVER EXPENDITURES	5,569,163	5,604,325	5,103,319	(501,006)
OTHER FINANCING USES				
Capital Lease Issued	-	-	2,407,155	2,407,155
Transfers Out	(14,069,210)	(13,521,509)	(13,388,920)	132,589
Total Other Financing Uses	(14,069,210)	(13,521,509)	(10,981,765)	2,539,744
NET CHANGE IN FUND BALANCE	(8,500,047)	(7,917,184)	(5,878,446)	2,038,738
Fund Balance - Beginning of Year	32,025,589	32,025,589	32,025,589	-
FUND BALANCE - END OF YEAR	$ 23,525,542	$ 24,108,405	$ 26,147,143	$ 2,038,738

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interdistrict Sources	$ 17,161	$ 17,161	$ 17,161	$ -
State Sources	4,831,500	4,578,308	4,705,091	126,783
Federal Sources	1,324,903	1,324,903	1,355,442	30,539
Total Revenues	6,173,564	5,920,372	6,077,694	157,322
EXPENDITURES				
Instruction:				
Regular Instruction	53	53	-	53
Special Education Instruction	11,460,476	11,460,476	10,851,714	608,762
Total Instruction	11,460,529	11,460,529	10,851,714	608,815
Support Services:				
Pupil Services	2,979,153	2,979,153	2,987,557	(8,404)
Instructional Staff Services	1,760,834	1,760,834	1,711,332	49,502
Operations and Maintenance of Plant	30,596	30,596	-	30,596
Pupil Transportation Services	689,230	689,230	1,314,951	(625,721)
Other Support Services	5,026	5,026	29,950	(24,924)
Total Support Services	5,464,839	5,464,839	6,043,790	(578,951)
Nonprogram:				
Special Education Tuition Payments	218,661	218,661	273,250	(54,589)
Total Expenditures	17,144,029	17,144,029	17,168,754	(24,725)
EXCESS OF REVENUES UNDER EXPENDITURES	(10,970,465)	(11,223,657)	(11,091,060)	132,597
OTHER FINANCING SOURCES				
Transfers In	10,970,465	11,223,657	11,091,060	(132,597)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN MEASUREMENT PERIODS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Period Ending	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 Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.24705970%	$ 4,057,674	$ 35,396,734	11.46%	98.20%
12/31/16	0.24936066%	2,055,327	36,135,268	5.69%	99.12%
12/31/17	0.25007170%	(7,424,925)	37,185,567	19.97%	102.93%
12/31/18	0.25011012%	8,898,134	38,323,393	23.22%	96.45%
12/31/19	0.24958682%	(8,047,818)	39,829,301	20.21%	102.96%
12/31/20	0.24854244%	(15,516,849)	41,000,852	37.85%	105.26%
12/31/21	0.25320487%	(20,608,778)	44,725,996	46.08%	106.02%
12/31/22	0.25850422%	13,694,787	48,012,619	28.52%	95.72%
12/31/23	0.27019736%	4,017,310	54,288,784	7.40%	98.85%
12/31/24	0.27736758%	4,557,608	60,222,023	7.57%	98.79%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM NET PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/16	$ 2,407,339	$ 2,407,339	$ -	$ 35,396,734	6.80%
6/30/17	2,388,444	2,388,444	-	36,135,268	6.61%
6/30/18	2,531,293	2,531,293	-	37,185,567	6.81%
6/30/19	2,568,454	2,568,454	-	38,323,393	6.70%
6/30/20	2,608,883	2,608,883	-	39,829,301	6.55%
6/30/21	2,885,164	2,885,164	-	42,743,171	6.75%
6/30/22	3,041,684	3,041,684	-	46,098,847	6.60%
6/30/23	3,433,772	3,433,772	-	47,112,283	7.29%
6/30/24	3,814,445	3,814,445	-	54,288,785	7.03%
6/30/25	4,327,860	4,327,860		62,414,862	6.93%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2025	2024	2023	2022	2021	2020
Total Pension Liability:						
Service Cost	$ 256,309	$ 246,451	$ 289,847	$ 278,699	$ 350,929	$ 337,432
Interest on Total Pension Liability	383,690	421,968	388,317	423,512	415,005	440,066
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(664,582)	-	1,604,547	-	1,116,313	-
Changes in Assumptions	(726,273)	-	1,129	-	-	-
Benefit Payments	(1,726,974)	(1,287,190)	(1,511,147)	(1,675,304)	(1,519,406)	(1,315,609)
Net Change in Total Pension Liability	(2,477,830)	(618,771)	772,693	(973,093)	362,841	(538,111)
Total Pension Liability - Beginning	10,327,579	10,946,350	10,173,657	11,146,750	10,783,909	11,322,020
Total Pension Liability - Ending	7,849,749	10,327,579	10,946,350	10,173,657	11,146,750	10,783,909
Plan Fiduciary Net Position						
Contributions - Employer	-	-	-	-	-	-
Net Investment Income (Loss)	218,773	135,325	203,048	(1,216,187)	201,591	1,195,956
Benefit Payments	(1,726,974)	(1,287,190)	(1,511,147)	(1,675,304)	(1,519,406)	(1,315,609)
Administrative Expenses	(11,190)	(12,728)	(16,387)	(33,493)	(17,419)	(20,741)
Net Change in Fiduciary Net Position	(1,519,391)	(1,164,593)	(1,324,486)	(2,924,984)	(1,335,234)	(140,394)
Plan Fiduciary Net Position - Beginning	2,864,502	4,029,095	5,353,581	8,278,565	9,616,799	9,754,193
Plan Fiduciary Net Position - Ending	1,345,111	2,864,502	4,029,095	5,353,581	8,281,565	9,613,799
Net Pension (Asset) Liability	$ 6,504,638	$ 7,463,077	$ 6,917,255	$ 4,820,076	$ 2,865,185	$ 1,170,110
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	17.14%	27.74%	36.81%	52.62%	74.30%	89.15%
Covered-Employee Payroll	12,814,244	12,756,173	12,756,173	13,327,916	13,327,916	27,229,528
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	50.76%	58.51%	54.23%	36.17%	21.50%	4.30%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION (CONTINUED)
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	$ 483,754	$ 465,148	$ 645,412	$ 620,588	$ 651,616
Interest on Total Pension Liability	481,836	477,735	486,577	502,764	503,901
Changes of Benefit Terms	(214,790)	-	-	-	-
Differences Between Expected and Actual Experience	71,851	-	78,574	-	554
Changes in Assumptions	(392,513)	-	129,069	-	-
Benefit Payments	(1,340,550)	(1,294,945)	(1,821,255)	(1,245,214)	(1,120,257)
Net Change in Total Pension Liability	(910,412)	(352,062)	(481,623)	(121,862)	35,814
Total Pension Liability - Beginning	12,232,432	12,584,494	13,066,117	13,187,979	13,152,165
Total Pension Liability - Ending	11,322,020	12,232,432	12,584,494	13,066,117	13,187,979
Plan Fiduciary Net Position					
Contributions - Employer	-	-	-	-	14,308,236
Net Investment Income (Loss)	1,116,792	17,695	(41,561)	1,284,962	-
Benefit Payments	(1,340,550)	(1,294,945)	(1,821,255)	(1,245,214)	(1,120,257)
Administrative Expenses	(20,705)	(24,472)	(28,299)	(36,234)	-
Net Change in Fiduciary Net Position	(244,463)	(1,301,722)	(1,891,115)	3,514	13,187,979
Plan Fiduciary Net Position - Beginning	9,998,656	11,300,378	13,191,493	13,187,979	-
Plan Fiduciary Net Position - Ending	9,754,193	9,998,656	11,300,378	13,191,493	13,187,979
Net Pension (Asset) Liability	$ 1,567,827	$ 2,233,776	$ 1,284,116	$ (125,376)	$ -
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	86.15%	81.74%	89.80%	100.96%	100.00%
Covered-Employee Payroll	27,229,528	20,401,347	17,667,496	21,030,020	21,339,399
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	5.76%	10.95%	7.27%	-0.60%	0.00%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL PENSION (CONTINUED)
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2025	2024
Total Pension Liability:		
Service Cost	$ 718,634	$ 691,194
Interest on Total Pension Liability	163,800	141,738
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(1,778,764)	-
Changes in Assumptions	(376,212)	(47,088)
Benefit Payments	-	-
Net Change in Total Pension Liability	(1,272,542)	785,844
Total Pension Liability - Beginning	3,766,626	2,980,782
Total Pension Liability - Ending	2,494,084	3,766,626
Plan Fiduciary Net Position		
Contributions - Employer	-	-
Net Investment Income (Loss)	-	-
Benefit Payments	-	-
Administrative Expenses	-	-
Net Change in Fiduciary Net Position	-	-
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending	-	-
Net Pension (Asset) Liability	$ 2,494,084	$ 3,766,626
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	0.00%	0.00%
Covered-Employee Payroll	25,015,003	24,197,199
Net Pension (Asset) Liability as a Percentage of Covered-Employee Payroll	9.97%	15.57%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS ASSET AND RELATED RATIOS
LAST TEN FISCAL YEARS (CONTINUED)
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2025	2024	2023	2022	2021	2020
Total OPEB Liability:						
Service Cost	$ 679,669	$ 649,593	$ 690,688	$ 668,235	$ 723,856	$ 698,434
Interest on Total OPEB Liability	656,603	490,289	362,072	379,356	466,475	499,018
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,055,926)	1,613,921	2,661,914	649,015	(2,200,998)	127,094
Changes of Assumptions	53,014	1,157,176	(427,863)	-	192,019	-
Benefit Payments	(902,026)	(1,737,863)	(2,015,401)	(2,292,169)	(1,635,187)	(2,145,507)
Net Change in Total OPEB Liability	(568,666)	2,173,116	1,271,410	(595,563)	(2,453,835)	(820,961)
Total OPEB Liability - Beginning	14,292,674	12,119,558	10,848,148	11,443,711	13,897,546	14,718,507
Total OPEB Liability - Ending	13,724,008	14,292,674	12,119,558	10,848,148	11,443,711	13,897,546
Plan Fiduciary Net Position:						
Net Investment Income (Loss)	388,952	240,571	(2,015,401)	(3,240,607)	358,122	2,126,146
Benefit Payments	(902,026)	(737,863)	(40,381)	(2,292,169)	(1,635,187)	(2,145,507)
Adjustment	(141)	-	-	-	(363,979)	-
Administrative Expenses	(19,892)	(22,628)	(29,134)	(59,543)	(30,966)	(36,872)
Net Change in Fiduciary Net Position	(533,107)	(519,920)	(2,084,916)	(5,592,319)	(1,672,010)	(56,233)
Plan Fiduciary Net Position - Beginning	10,551,023	11,070,943	13,155,859	18,748,178	20,420,188	20,476,421
Plan Fiduciary Net Position - Ending	10,017,916	10,551,023	11,070,943	13,155,859	18,748,178	20,420,188
Net OPEB (Asset) Liability	$ 3,706,092	$ 3,741,651	$ 1,048,615	$ (2,307,711)	$ (7,304,467)	$ (6,522,642)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.00%	73.82%	91.35%	121.27%	163.83%	146.93%
Covered-Employee Payroll	55,298,147	46,854,338	16,126,258	41,686,152	38,101,039	34,197,160
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	6.70%	7.99%	6.50%	-5.54%	-19.17%	-19.07%
District's Actuarially Determined Contributions	$ 1,209,405	$ 1,148,424	$ 690,688	$ 668,235	$ 723,856	$ 698,434
District Contributions in Relation to the Actuarially Determined Contributions	-	1,000,000	-	-	-	-
Contribution Deficiency (Excess)	1,209,405	148,424	690,688	668,235	723,856	698,434
District's Covered-Employee Payroll	55,298,147	46,854,338	46,126,258	41,686,152	38,101,039	34,197,160
District's Contributions as a Percentage of Covered-Employee Payroll	0.00%	2.13%	0.00%	0.00%	0.00%	0.00%
Annual Money-Weighted Rate of Return, Net of Investment Expense.	0.95%	0.56%	-4.16%	-5.08%	0.46%	2.60%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS ASSET AND RELATED RATIOS
LAST TEN FISCAL YEARS (CONTINUED)
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2019	2018	2017
Total OPEB Liability:			
Service Cost	$ 864,836	$ 929,473	$ 795,916
Interest on Total OPEB Liability	710,352	720,954	807,791
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(3,300,138)	431,790	(1,154,478)
Changes of Assumptions	238,277	-	(545,607)
Benefit Payments	(1,681,396)	(2,148,242)	(2,699,778)
Net Change in Total OPEB Liability	(3,168,069)	(66,025)	(2,796,156)
Total OPEB Liability - Beginning	17,886,576	17,952,601	20,748,757
Total OPEB Liability - Ending	14,718,507	17,886,576	17,952,601
Plan Fiduciary Net Position:			
Net Investment Income (Loss)	1,985,409	31,394	(76,611)
Benefit Payments	(1,681,396)	(2,148,242)	(2,699,778)
Adjustment	-	-	-
Administrative Expenses	(36,808)	(45,382)	(50,526)
Net Change in Fiduciary Net Position	267,205	(2,162,230)	(2,826,915)
Plan Fiduciary Net Position - Beginning	20,209,216	22,371,446	25,198,361
Plan Fiduciary Net Position - Ending	20,476,421	20,209,216	22,371,446
Net OPEB (Asset) Liability	$ (5,757,914)	$ (2,322,640)	$ (4,418,845)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	139.12%	112.99%	124.61%
Covered-Employee Payroll	33,201,126	20,401,347	20,482,131
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	-17.34%	-11.38%	-21.57%
District's Actuarially Determined Contributions	$ 864,836	$ 929,473	$ 795,916
District Contributions in Relation to the Actuarially Determined Contributions	-	-	-
Contribution Deficiency (Excess)	864,836	929,473	795,916
District's Covered-Employee Payroll	33,201,126	32,234,103	31,295,246
District's Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%
Annual Money-Weighted Rate of Return, Net of Investment Expense.	2.44%	0.04%	-0.08%

See accompanying Notes to Required Supplementary Information.

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY
LAST TEN MEASUREMENT PERIODS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Plan Year Ending	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 Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.43910900%	$ 1,321,095	$ 18,465,790	-7.15%	44.81%
12/31/18	0.46553900%	1,201,248	22,137,000	5.43%	48.69%
12/31/19	0.45734700%	1,947,473	20,832,000	-9.35%	37.58%
12/31/20	0.42701900%	2,348,913	19,561,000	-12.01%	31.36%
12/31/21	0.39758300%	2,349,862	19,842,000	-11.84%	29.57%
12/31/22	0.39307500%	1,497,548	19,733,000	-7.59%	38.81%
12/31/23	0.38218600%	1,758,306	19,687,000	-8.93%	33.90%
12/31/24	0.40890300%	1,599,734	20,617,000	-7.76%	37.20%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/18	$ 8,969	$ 8,969	$ -	$ 22,137,000	0.04%
6/30/19	8,267	8,267	-	20,832,000	0.04%
6/30/20	8,515	8,515	-	19,842,000	0.04%
6/30/21	8,137	8,137	-	19,842,000	0.04%
6/30/22	8,137	8,137	-	19,733,000	0.04%
6/30/23	7,856	7,856	-	19,800,000	0.04%
6/30/24	9,742	9,742	-	24,355,000	0.04%
6/30/25	9,386	9,386	-	23,555,500	0.04%

See accompanying Notes to Required Supplementary Information.

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Retiree Medical

Changes of Benefit Terms:

There were no changes of benefit terms.

Changes of Assumptions:

No significant change in assumptions were noted from the prior year.

Local Retiree Life Insurance Fund

Changes of Benefit Terms:

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

Changes of Assumptions:

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

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

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

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

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The district is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years are available until ten fiscal years are presented.

NOTE 2 PENSION BENEFITS

Wisconsin Retirement System

Changes of Benefit Terms:

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

Changes of Assumptions:

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

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

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

Supplemental Pension

Changes of Benefit Terms:

There were no changes of benefit terms.

Changes of Assumptions:

No significant change in assumptions were noted from the prior year.

NOTE 3 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

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 District's legally adopted budget and budgetary expenditure control is exercised at the one digit function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board.

Budget amounts in the financial statements include both the original adopted budget and the final budget.

Excess of Expenditures Over Budget

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for the general fund is shown in that schedule.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Community Service	Special Revenue Fund	Non Referendum Debt Service	Capital Expansion Fund	Non Referendum Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Cash and Investments	$ 555,444	$ 499,487	$ -	$ 1,786,822	$ -	$ 2,841,753
Receivables:						
Accounts	26,031	-	-	-	-	26,031
Due from Other Funds	351,509	999,498	1,989,263	700,554	612,534	4,653,358
Due from Employee Benefit Trust Fund	4,148	-	-	-	-	4,148
Total Assets	$ 937,132	$ 1,498,985	$ 1,989,263	$ 2,487,376	$ 612,534	$ 7,525,290
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 10,854	$ 46,789	$ -	$ 217,003	$ -	$ 274,646
Due to Other Funds	-	41,527	1,989,263	668,887	-	2,699,677
Unearned Revenues	-	-	-	-	532,047	532,047
Total Liabilities	10,854	88,316	1,989,263	885,890	532,047	3,506,370
FUND BALANCES						
Restricted	926,278	1,410,669	-	1,601,486	80,487	4,018,920
Total Fund Balances	926,278	1,410,669	-	1,601,486	80,487	4,018,920
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 937,132	$ 1,498,985	$ 1,989,263	$ 2,487,376	$ 612,534	$ 7,525,290

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
OTHER NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	Community Service	Special Revenue Fund	Non Referendum Debt Service	Capital Expansion Fund	Non Referendum Capital Projects	Total Nonmajor Governmental Funds
REVENUES						
Property Taxes	$ 956,638	$ -	$ -	$ 1,000,000	$ -	$ 1,956,638
Other Local Sources	634,277	1,676,062	-	17,881	-	2,328,220
Federal Sources	-	-	-	-	199,147	199,147
Other Sources	-	38,460	-	-	-	38,460
Total Revenues	1,590,915	1,714,522	-	1,017,881	199,147	4,522,465
EXPENDITURES						
Instruction:						
Regular Instruction	-	718,635	-	-	-	718,635
Vocational Instruction	-	37,040	-	-	-	37,040
Other Instruction	-	1,008,919	-	-	-	1,008,919
Total Instruction	-	1,764,594	-	-	-	1,764,594
Support Services:						
School Administration Services	245,163	199	-	-	-	245,362
Business Services	3,475	-	-	-	-	3,475
Operations and Maintenance of Plant	24,231	-	-	1,652,892	48,670	1,725,793
Pupil Transportation Services	-	59,293	-	-	-	59,293
Other Support Services	-	62,407	-	-	69,990	132,397
Total Support Services	272,869	121,899	-	1,652,892	118,660	2,166,320
Community Service	1,329,050	-	-	-	-	1,329,050
Nonprogram						
Post-Secondary Scholarship Expenditures	-	6,138	-	-		6,138
Total Expenditures	1,601,919	1,892,631	-	1,652,892	118,660	5,266,102
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,004)	(178,109)	-	(635,011)	80,487	(743,637)
NET CHANGE IN FUND BALANCES	(11,004)	(178,109)	-	(635,011)	80,487	(743,637)
Fund Balances - Beginning of Year	937,282	1,588,778	-	2,236,497	-	4,762,557
FUND BALANCES - END OF YEAR	$ 926,278	$ 1,410,669	$ -	$ 1,601,486	$ 80,487	$ 4,018,920

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2025

Operating Activity	WUFAR Object Code	Cost
Employee Salaries	100	$ 13,124
Employee Benefits	200	2,758
		$ 15,882

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
ANALYSIS OF LOCAL LEVY
JUNE 30, 2025

	2023 Taxes Receivable July 1, 2024	Total 2024 Levy	Collections	2024 Taxes Receivable June 30, 2025
City of Fitchburg	$ 6,752,441	$ 22,218,335	$ (22,037,884)	$ 6,932,892
City of Verona	16,854,732	44,388,396	(44,247,078)	16,996,050
Town of Verona	1,582,557	6,259,989	(6,015,094)	1,827,452
City of Madison	488,914	3,047,398	(2,916,688)	619,624
Town of Springdale	455,052	1,724,553	(1,685,718)	493,887
Town of Montrose	131,972	451,801	(448,547)	135,226
Town of Middleton	67,083	245,148	(241,704)	70,527
Total	$ 26,332,751	$ 78,335,620	$ (77,592,713)	$ 27,075,658

OTHER INDEPENDENT AUDITORS' REPORT

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

Board of Education
Verona Area School District
Verona, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Verona Area School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 10, 2025

VERONA AREA SCHOOL DISTRICT
VERONA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Governance Auditing Standards*.



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