

NEENAH JOINT SCHOOL DISTRICT

Annual Financial Report

June 30, 2025

NEENAH JOINT SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT



Independent Auditors' Report

To the Board of Education
Neenah Joint School District
Neenah, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Neenah Joint School District (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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

To the Board of Education
Neenah Joint School District

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedule of changes in the net pension liability (asset), fiduciary net position, and related ratios – supplemental pension plan, schedule of employer contributions – supplemental pension plan, schedule of changes in net OPEB liability (asset), fiduciary net position and related ratios – other post-employment benefits, schedule of employer contributions – other post-employment benefits, and the schedule of revenues, expenditures and changes in fund balance - budget and actual – general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State 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 Governmental Accounting Standards board, who considers it to be an essential part of financial reporting for placing the basic financial statements are not affected by this missing information.

To the Board of Education
Neenah Joint School District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Neenah Joint School District's basic financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and change in fund balance, schedule of expenditures of federal awards, and schedule of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by *Wisconsin State Single Audit Guidelines* and the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction and is also not a required part of the basic financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and change in fund balance, schedule of expenditures of federal awards, and schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of charter school authorizer operating costs but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any other form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 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.

KerberRose SC

KerberRose S.C.
Certified Public Accountants
Green Bay, Wisconsin
October 15, 2025

FINANCIAL STATEMENTS

NEENAH JOINT SCHOOL DISTRICT
District-Wide Statement of Net Position
As of June 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 30,304,149
Receivables:	
Taxes	9,426,678
Accounts	742,322
Due from Other Governments	1,676,498
Total Current Assets	<u>42,149,647</u>
Noncurrent Assets	
Net Supplemental Pension Asset	16,888
Capital Assets	
Nondepreciable	666,000
Depreciable, net	192,704,585
Total Noncurrent Assets	<u>193,387,473</u>
TOTAL ASSETS	<u>235,537,120</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension - Cost Sharing	19,469,975
Deferred Outflows Related to Supplemental Pension	171,136
Deferred Outflows Related to	
Other Post-Employment Benefits - Single Employer	1,417,668
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>21,058,779</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	103
Accrued Interest Payable	1,398,720
Accrued Liabilities	7,595,327
Due to State Government	680
Unearned Revenue	120,175
Dental Benefit Claims Payable	93,497
Current Portion of Long-Term Debt	4,780,000
Current Portion of Compensated Absences	48,985
Current Portion of Lease Obligation Liability	416,309
Total Current Liabilities	<u>14,453,796</u>
Noncurrent Liabilities	
Noncurrent Portion of Long-Term Obligations	132,614,801
Noncurrent Portion of Compensated Absences	48,985
Noncurrent Portion of Lease Obligation Liability	338,590
Net Pension Liability - Cost Sharing	3,623,490
Other Post-Employment Benefit Liability - Single Employer	295,278
Total Noncurrent Liabilities	<u>136,921,144</u>
TOTAL LIABILITIES	<u>151,374,939</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension - Cost Sharing	10,574,215
Deferred Inflows Related to Supplemental Pension	1,270,149
Deferred Inflows Related to	
Other Post-Employment Benefits - Single Employer	3,313,932
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>15,158,296</u>
NET POSITION	
Net Investment in Capital Assets	55,220,885
Restricted	20,624,819
Unrestricted	14,216,960
TOTAL NET POSITION	<u>\$ 90,062,664</u>

NEENAH JOINT SCHOOL DISTRICT

District-Wide Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		Net (Expense)
		Charges For	Operating	Revenue and Changes
	Expenses	Services	Grants and Contributions	In Net Position
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular Instruction	\$ 32,344,121	\$ 284,551	\$ 1,433,935	\$ (30,625,635)
Vocational Instruction	1,791,110	-	-	(1,791,110)
Physical Instruction	1,910,358	100,254	-	(1,810,104)
Special Instruction	11,409,516	-	6,030,738	(5,378,778)
Other Instruction	3,030,173	1,369,117	1,296,358	(364,698)
Total Instruction	50,485,278	1,753,922	8,761,031	(39,970,325)
Support Services				
Pupil Services	4,955,939	-	272,476	(4,683,463)
Instructional Staff Services	3,684,156	1,397	742,840	(2,939,919)
General Administration Services	2,155,903	-	-	(2,155,903)
School Building Administration Services	4,625,484	14,561	-	(4,610,923)
Business Administration	1,092,892	-	-	(1,092,892)
Operations and Maintenance of Plant	10,752,084	93,318	3,225,765	(7,433,001)
Pupil Transportation Services	2,964,662	-	151,996	(2,812,666)
Food Services	3,288,763	1,479,766	2,054,136	245,139
Internal Services	40,554	-	-	(40,554)
Central Services	1,791,676	27,716	34,350	(1,729,610)
Insurance	546,366	-	-	(546,366)
Other Support Services	41,567	3,170	54,111	15,714
Community Services	243,740	-	-	(243,740)
Interest and Fiscal Charges	3,803,169	-	-	(3,803,169)
Depreciation - Unallocated	5,836,906	-	-	(5,836,906)
Total Support Services	45,823,861	1,619,928	6,535,674	(37,668,259)
Non-Program Transactions				
Open Enrollment	4,717,302	1,434,702	-	(3,282,600)
General Tuition Payments	55,706	-	-	(55,706)
Voucher Payments	3,888,670	-	-	(3,888,670)
Revenue Transits to Others	23,304	-	-	(23,304)
Non-Open Enrollment	967,297	-	754,000	(213,297)
Adjustments and Refunds	356,585	-	-	(356,585)
Total Non-Program Transactions	10,008,864	1,434,702	754,000	(7,820,162)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 106,318,003	\$ 4,808,552	\$ 16,050,705	(85,458,746)
GENERAL REVENUES				
Property Taxes				
General Operations				37,469,671
State and Federal Aids not Restricted to Specific Functions				57,418,752
Interest and Investment Earnings				784,590
Miscellaneous				1,094,070
Total General Revenues				96,767,083
CHANGE IN NET POSITION				11,308,337
NET POSITION - BEGINNING OF YEAR				78,754,327
NET POSITION - END OF YEAR				\$ 90,062,664

See Accompanying Notes

NEENAH JOINT SCHOOL DISTRICT

Balance Sheet
Governmental Funds
As of June 30, 2025

	General	Long-Term Capital Improvement Trust Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 21,707,038	\$ 2,754,881	\$ 5,842,230	\$ 30,304,149
Receivables:				
Taxes	9,426,678	-	-	9,426,678
Accounts	723,413	-	18,909	742,322
Due from Other Funds	-	8,080,308	-	8,080,308
Due from Other Governments	1,626,840	-	49,658	1,676,498
TOTAL ASSETS	<u>\$ 33,483,969</u>	<u>\$ 10,835,189</u>	<u>\$ 5,910,797</u>	<u>\$ 50,229,955</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 66	\$ -	\$ 37	\$ 103
Accrued Liabilities	7,571,031	-	24,296	7,595,327
Due to Other Funds	8,080,308	-	-	8,080,308
Due to State Government	680	-	-	680
Dental Benefit Claims Payable	93,497	-	-	93,497
Unearned Revenue	111,890	-	8,285	120,175
Total Liabilities	<u>15,857,472</u>	<u>-</u>	<u>32,618</u>	<u>15,890,090</u>
Fund Balances				
Restricted:				
Donor Specified Projects	-	-	874,150	874,150
Food Service	-	-	2,017,409	2,017,409
Debt Service	-	-	2,582,491	2,582,491
Capital Projects	-	10,835,189	-	10,835,189
Unspent Common School Funds	442,030	-	-	442,030
Assigned:				
Community Service Funds	-	-	404,129	404,129
Unassigned	17,184,467	-	-	17,184,467
Total Fund Balances	<u>17,626,497</u>	<u>10,835,189</u>	<u>5,878,179</u>	<u>34,339,865</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,483,969</u>	<u>\$ 10,835,189</u>	<u>\$ 5,910,797</u>	<u>\$ 50,229,955</u>

NEENAH JOINT SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position
As of June 30, 2025

Total Fund Balances - Governmental Funds	\$ 34,339,865
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Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

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

Governmental Capital Assets	\$ 237,653,761	
Governmental Accumulated Depreciation	<u>(44,283,176)</u>	193,370,585

Net supplemental pension asset is not usable in the current period therefore not reported in the fund financial statements.	16,888
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Some deferred outflows and inflows of resources reflect changes in long-term assets or liabilities and are not reported in the funds:

Deferred Outflows of Resources Related to Pension - Cost-Sharing Plan	19,469,975	
Deferred Inflows of Resources Related to Pension - Cost-Sharing Plan	(10,574,215)	
Deferred Outflows of Resources Related to Pension - Single-Employer Plan	171,136	
Deferred Inflows of Resources Related to Pension - Single Employer Plan	(1,270,149)	
Deferred Outflows of Resources Related to OPEB - Single-Employer Plan	1,417,668	
Deferred Inflows of Resources Related to OPEB - Single-Employer Plan	<u>(3,313,932)</u>	5,900,483

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

General Obligations	(129,830,000)	
Bond Premium	(7,564,801)	
Accrued Interest on General Obligation Debt	(1,398,720)	
Compensated Absences	(97,969)	
Lease Obligation Liability	(754,899)	
Net Pension Liability - Cost Sharing	(3,623,490)	
Other Post-Employment Benefit Liability - Single Employer	<u>(295,278)</u>	<u>(143,565,157)</u>

Total Net Position - Governmental Activities	<u>\$ 90,062,664</u>
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NEENAH JOINT SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Long-Term Capital Improvement Trust Fund	Nonmajor Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 25,818,651	\$ -	\$ 11,622,607	\$ 37,441,258
Other Local Sources	1,274,325	165,284	2,719,584	4,159,193
Interdistrict Sources	1,456,239	-	-	1,456,239
Intermediate Sources	74,446	-	-	74,446
State Sources	63,673,738	-	40,132	63,713,870
Federal Sources	4,669,431	-	2,023,395	6,692,826
Other Sources	3,931,188	150,000	7,320	4,088,508
Total Revenues	100,898,018	315,284	16,413,038	117,626,340
EXPENDITURES				
Instruction				
Regular Instruction	31,627,875	-	907	31,628,782
Vocational Instruction	1,730,007	-	-	1,730,007
Physical Instruction	1,854,415	-	-	1,854,415
Special Instruction	11,097,868	-	-	11,097,868
Other Instruction	1,934,236	-	1,036,128	2,970,364
Total Instruction	48,244,401	-	1,037,035	49,281,436
Support Services				
Pupil Services	4,821,701	-	-	4,821,701
Instructional Staff Services	3,611,272	-	-	3,611,272
General Administration Services	1,895,052	-	222,451	2,117,503
School Building Administration Services	4,460,462	-	28,771	4,489,233
Business Services	1,061,296	-	-	1,061,296
Operations and Maintenance	13,100,633	1,350,107	243,585	14,694,325
Pupil Transportation	2,964,662	-	-	2,964,662
Food Services	-	-	3,357,689	3,357,689
Internal Services	40,554	-	-	40,554
Central Services	1,731,636	-	-	1,731,636
Insurance	546,366	-	-	546,366
Other Support Services	89,315	-	3,090	92,405
Community Services	-	-	239,339	239,339
Debt Service				
Principal	833,165	-	6,670,000	7,503,165
Interest and fiscal charges	54,321	-	4,533,231	4,587,552
Total Support Services	35,210,435	1,350,107	15,298,156	51,858,698
Non-Program Transactions				
General Tuition Payments	55,706	-	-	55,706
Open Enrollment	4,717,302	-	-	4,717,302
Non-Program Payments	967,297	-	-	967,297
Voucher Payments	3,888,670	-	-	3,888,670
Revenue Transits To Others	23,304	-	-	23,304
Adjustments and Refunds	28,119	-	328,466	356,585
Total Non-Program Transactions	9,680,398	-	328,466	10,008,864
Total Expenditures	93,135,234	1,350,107	16,663,657	111,148,998
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,762,784	(1,034,823)	(250,619)	6,477,342
OTHER FINANCING SOURCES (USE)				
Sale of Equipment	3,025	-	-	3,025
Issuance of Lease Obligation	366,125	-	-	366,125
Transfer from Other Funds	14,229	8,080,308	-	8,094,537
Transfer to Other Funds	(8,080,308)	-	(14,229)	(8,094,537)
Total Other Financing Sources (Use)	(7,696,929)	8,080,308	(14,229)	369,150
NET CHANGES IN FUND BALANCES	65,855	7,045,485	(264,848)	6,846,492
FUND BALANCES - BEGINNING OF YEAR	17,560,642	3,789,704	6,143,027	27,493,373
FUND BALANCES - END OF YEAR	\$ 17,626,497	\$ 10,835,189	\$ 5,878,179	\$ 34,339,865

NEENAH JOINT SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the District-Wide Statement of Activities For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		\$ 6,846,492
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements	\$ 5,350,976	
Depreciation expense reported in the statement of activities	<u>(6,482,783)</u>	
Amount by which capital outlays are less than depreciation in the current period.		(1,131,807)
The District disposed of outdated assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of activities as a net loss and has no effect on the governmental funds balance sheet.		
The value of capital assets disposed of during the year	(1,179,727)	
The amount of depreciation recapture for the year	<u>836,802</u>	
Amount by which capital disposals are more than depreciation recapture in the current period.		(342,925)
Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.		(1,558,820)
Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financial statements.		(54,172)
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Amounts paid are less than amounts earned by		(5,729)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of the long-term debt principal payments in the current year is:		
Bonds payable	6,670,000	
Lease obligation	<u>833,165</u>	
		7,503,165
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.		
The amount of debt incurred in the current year is:		
Lease obligation		(366,125)
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	4,587,552	
The amount of interest accrued during the current period	<u>(4,661,178)</u>	
Interest paid is less than interest accrued by:		(73,626)
Prior year debt premium, discount and refunding losses are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The amortization for the current year is		
Amortization of bond premium		<u>491,884</u>
Change in Net Position - Governmental Activities		\$ 11,308,337

NEENAH JOINT SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Fund

As of June 30, 2025

	<u>Employee Benefit Trust</u>
ASSETS	
Cash and Investments	<u>\$ 13,332,295</u>
LIABILITIES	
Accounts Payable	<u>587,000</u>
NET POSITION	
Restricted	<u><u>\$ 12,745,295</u></u>

See Accompanying Notes

NEENAH JOINT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025

	<u>Employee Benefit Trust</u>
ADDITIONS	
Other Sources	\$ 805,121
Interest	1,048,019
Total Additions	<u>1,853,140</u>
DEDUCTIONS	
Payments from Employee-Benefit Trust	2,473,934
Bank Fees from Employee-Benefit Trust	48,023
Total Deductions	<u>2,521,957</u>
CHANGE IN NET POSITION	(668,817)
NET POSITION - BEGINNING	<u>13,414,112</u>
NET POSITION - ENDING	<u><u>\$ 12,745,295</u></u>

See Accompanying Notes

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Neenah Joint School District (District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

Nature of Operations

The District is organized as a common school district. The District, governed by a nine-member elected school board, operates grades Kindergarten through 12 and is comprised of all or part of five taxing districts.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

District-Wide Financial Statements

The District-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The District has no business-type activities.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary fund, even though the latter is excluded from the District-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. The District has no internal service funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, capital projects, special revenue, or debt service based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital expenditures.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fiduciary Fund

Employee Benefit Trust

This fund is used to account for resources held in trust for formally established post-employment benefit plans.

Major Funds

The District reports 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 required to be accounted for in other funds.

Long-Term Capital Improvement Trust Fund – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets and planned for in a long-term capital plan.

Nonmajor Funds

The District reports the following nonmajor funds:

Special Revenue Trust Fund – This fund accounts for trust funds that can be used for District operations. The source of such funds is gifts and donations from private parties.

Food Service Fund – This fund accounts for the activities associated with the District's breakfast and hot lunch programs.

Community Service Fund – This fund accounts for activities serving the community that are funded by property taxes and fees.

Referendum Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

Non-Referendum Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

Capital Projects Fund – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Expansion Fund – This fund accounts for resources and payments made for capital acquisitions in which the resources are financed through use of long-term debt.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and deferred outflows of resources and liabilities and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

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

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

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

Cash and Investments

The District's cash and investments are combined on the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Cash 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 pooled-investment fund.

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

Receivables

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

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Property Taxes

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or “equalized” taxable property values. As permitted by a collecting municipality’s ordinance, taxes may be paid in full or in two or more installments with the first installment payable by the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the twentieth of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2024 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2025. All property taxes are considered due on January 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.

Interfund Activity

In the process of aggregating the financial information for the district-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental categories is reported as follows in the fund financial statements:

- Interfund receivables and payables – Are shown to present temporary cash deficits
- Interfund transfer – Flow of assets from one fund to another where repayment is not expected, are reported as transfers in and out.

District-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the district-wide financial statements as follows:

- Internal activities – Amounts reported as interfund transfers and due from/to other funds in the governmental fund financial statements are eliminated in the district-wide statement of activities and statement of net position.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets

In the district-wide statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at actual or estimated historical cost is unavailable. Donated assets are reported at estimated acquisition value at the time received.

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 district-wide statements are as follows: assets with an initial individual cost of \$10,000 or higher and an estimated useful life in excess of one year. All depreciable capital assets are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Site improvements	10 - 50
Buildings	50
Furniture and equipment	5 - 7
Right to use assets	5

Unearned Revenue

The district-wide statement of net position and the governmental funds balance sheet report unearned revenue and therefore defer revenue recognition in connection with resources that have been received, but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced, as applicable, and income is recognized.

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period the debt is issued. Principal payments are recorded against the liability and interest payments are recorded as a current expense.

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

Compensated Absences

The District adopted GASB Statement No. 101 for the year ended June 30, 2025, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Deferred Inflows of Resources

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

Pension and Other Post-Employment Benefits

Pensions

Wisconsin Retirement System

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

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

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

Supplemental Pension Plan

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

Other Post-Employment Benefits (OPEB)

Single-employer Defined Postemployment Benefit Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's other postemployment benefit plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Lease Obligations

The District follows GASB Statement No. 87, which requires recognition of certain lease assets and liabilities for leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use underlying assets. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Subscription-Based Information Technology Agreements

The District follows GASB Statement No. 96, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the District to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with available expendable financial resources are recorded during the year as expenditures in the appropriate governmental fund types. If they are not liquidated with available expendable financial resources, a liability is recorded in the district-wide statement of net position. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

Fund Equity Classifications

District-Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent bond proceeds.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned:

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year end; however, the amount can be determined in the subsequent period. The Board of Education is the decision making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the Board of Education for a specific intended purpose. The District has not delegated that authority to the District's management. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

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

Use of Estimates

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

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 2 – Cash and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, the trust fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

The District is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the U.S. Government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant resolutions of the District.

At June 30, 2025 the bank balance of cash was \$31,303,583. The District maintains its cash accounts at four financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. One of the financial institutions utilizes a program whereby it obtains full FDIC insurance for deposits.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts.

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

Fully Insured Deposits	\$ 30,301,595
Uninsured and Uncollateralized	1,001,988
Total	<u>\$ 31,303,583</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 2 – Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Total Amount	Exempt from Disclosure	AAA	Aa	A	Not Rated
BMO Financial Group						
Money market funds	\$ 428,905	\$ -	\$ -	\$ -	\$ -	\$ 428,905
Bond mutual funds	6,332,539	-	-	-	-	6,332,539
Equity mutual funds	8,069,168	-	-	-	-	8,069,168
Totals	<u>\$ 14,830,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,830,612</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At June 30, 2025, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% of more of total District investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
BMO Financial Group					
Money market funds	\$ 428,905	\$ 428,905	\$ -	\$ -	\$ -
Bond mutual funds	6,332,539	6,332,539	-	-	-
Equity mutual funds	8,069,168	8,069,168	-	-	-
Totals	<u>\$ 14,830,612</u>	<u>\$ 14,830,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2025:

Investment Type	Level 1	Level 2	Level 3
BMO Financial Group			
Money market funds	\$ -	\$ 428,905	\$ -
Bond mutual funds	-	6,332,539	-
Equity mutual funds	-	8,069,168	-
Totals	<u>\$ -</u>	<u>\$ 14,830,612</u>	<u>\$ -</u>

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 3 – Interfund Transfers, Receivables and Payables

The interfund transfers for the year ended June 30, 2025 consisted of the following:

Fund Transferred To:	Fund Transferred From:	Amount	Purpose
Long-Term Capital Improvement Fund	General Fund	\$ 8,080,308	For future capital needs
General Fund	Non-Referendum Debt Service Fund	4,120	Debt Service Payments
General Fund	Capital Projects Fund	10,109	For future capital needs
		<u>\$ 8,094,537</u>	

The interfund receivables and payables at June 30, 2025 consisted of the following:

Payable Fund	Receivable Fund	Amount	Purpose
General Fund	Long-Term Capital Improvement Fund	<u>\$ 8,080,308</u>	For future capital needs

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 4 – Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 666,000	\$ -	\$ -	\$ 666,000
Capital Assets, Depreciable				
Buildings	218,934,971	1,323,909	(328,306)	219,930,574
Furniture and Equipment	5,303,969	427,064	(551,556)	5,179,477
Site Improvements	3,225,292	3,233,878	(299,865)	6,159,305
Right to Use Assets	5,352,280	366,125	-	5,718,405
Total Capital Assets, Depreciable	<u>232,816,512</u>	<u>5,350,976</u>	<u>(1,179,727)</u>	<u>236,987,761</u>
Less Accumulated Depreciation for				
Buildings	(30,546,185)	(5,125,905)	172,540	(35,499,550)
Furniture and Equipment	(3,275,451)	(227,939)	551,813	(2,951,577)
Site Improvements	(613,146)	(213,716)	112,449	(714,413)
Right to Use Assets	(4,202,413)	(915,223)	-	(5,117,636)
Total Accumulated Depreciation	<u>(38,637,195)</u>	<u>(6,482,783)</u>	<u>836,802</u>	<u>(44,283,176)</u>
Total Capital Assets, Depreciable, Net	<u>194,179,317</u>	<u>(1,131,807)</u>	<u>(342,925)</u>	<u>192,704,585</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 194,845,317</u>	<u>\$ (1,131,807)</u>	<u>\$ (342,925)</u>	<u>\$ 193,370,585</u>

Governmental activities depreciation expense for fiscal year ended June 30, 2025 was \$6,482,783 and was allocated as to functions as follows:

Instruction:	
Regular	\$ 5,137
Vocational	9,043
Other Instruction	25,208
Support Services:	
Pupil Services	469
School Building Administration	1,895
Business Administration	1,148
Operation and Maintenance	524,021
Food Service	13,498
Central Services	65,458
Unallocated	5,836,906
Total Depreciation Expense	<u>\$ 6,482,783</u>

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 5 – Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2025:

	Beginning Balances	Additions	Reductions	Ending Balances	Amount Due Within One Year
General Obligation Debt:					
Bonds	\$ 136,500,000	\$ -	\$ 6,670,000	\$ 129,830,000	\$ 4,780,000
Issuance Premium	8,056,685	-	491,884	7,564,801	-
Lease Obligations	1,221,939	366,125	833,165	754,899	416,309
Compensated Absences*	92,240	5,729	-	97,969	48,985
Total Governmental Activities Long-Term Liabilities	<u>\$ 145,870,864</u>	<u>\$ 371,854</u>	<u>\$ 7,995,049</u>	<u>\$ 138,247,669</u>	<u>\$ 5,245,294</u>

Total interest paid on long-term debt for the year ended June 30, 2025 was \$4,533,231.

*Compensated absences are presented as a net change in activity for the year.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2025, is comprised of the following individual issues:

	Date of Issuance	Date of Maturity	Interest Rate	Original Indebtedness	Balances 6/30/2025
General Obligation Bonds	7/15/2020	3/1/2040	2.00 - 5.00%	\$ 99,000,000	\$ 73,185,000
General Obligation Bonds	4/21/2022	3/1/2041	3.00 - 5.00%	62,900,000	56,645,000
Total					<u>\$ 129,830,000</u>

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 5 – Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2025 follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 4,780,000	\$ 4,253,957	\$ 9,033,957
2027	7,910,000	4,004,682	11,914,682
2028	7,440,000	3,609,182	11,049,182
2029	7,890,000	3,237,182	11,127,182
2030	8,305,000	2,928,682	11,233,682
2031 - 2035	46,540,000	10,036,760	56,576,760
2036 - 2040	42,965,000	3,727,032	46,692,032
2041	4,000,000	135,000	4,135,000
Total	<u>\$ 129,830,000</u>	<u>\$ 31,932,477</u>	<u>\$ 161,762,477</u>

Legal Margin for New Debt

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$6,903,977,327. 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	\$ 6,903,977,327
Statutory limitation percentage	10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	690,397,733
Total outstanding general obligation debt applicable to debt limitation	\$ 129,830,000
Less: Amounts available for financing general obligation debt	
Debt service fund net of accrued interest	1,183,771
Net outstanding general obligation debt applicable to debt limitation	128,646,229
Legal margin for new debt	<u>\$ 561,751,504</u>

Debt Defeasance

During the year, the District used existing resources of \$1,999,851 to retire a portion of the 2020 general obligation bonds and 2022 general obligation bonds. As a result, \$1,985,000 is now considered defeased and has been removed from the District's long-term obligations. The defeasance was undertaken to reduce total debt service payments by \$451,474.

Lease Obligations

The District has lease agreements for various electronic devices. Interest rates range from 1.056% - 2.87%. Total interest paid for the year ended June 30, 2025 was \$54,321. Aggregate cash flow requirements for the retirement of lease obligation principal and interest as of June 30, 2025 follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 416,309	\$ 39,797	\$ 456,106
2027	227,675	20,630	248,305
2028	110,915	5,576	116,491
Total	<u>\$ 754,899</u>	<u>\$ 66,003</u>	<u>\$ 820,902</u>

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans

1. Wisconsin Retirement System

General Information About the Pension Plan

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

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

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 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.

The WRS also provides death and disability benefits for employees.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (Continued)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2015	2.9%	2.0%
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

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

During the reporting period, the WRS recognized \$3,074,209 in contributions from the District.

Contribution rates as of June 30, 2025 are:

Employee Category	Employee	Employer
General (including teachers)	6.95%	6.95%

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)**1. Wisconsin Retirement System (Continued)*****Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2025, the District reported a liability of \$3,623,490 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. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.22051890%, which was a decrease of 0.00818843% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$4,907,647.

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 pension plan - projected and actual experiences	\$ 11,252,920	\$ 10,574,215
Changes in assumptions	1,075,159	-
Net differences between pension plan - projected and actual earnings on pension plan investments	5,506,085	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	79,277	-
Employer contributions subsequent to the measurement date	1,556,534	-
Total	\$ 19,469,975	\$ 10,574,215

The \$1,556,534 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 2,230,088
2027	7,537,527
2028	(1,852,944)
2029	(575,445)
	\$ 7,339,226

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 – December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the 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, actuarial assumptions used to measure the total pension liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	38%	7.0%	4.3%
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage ³	(12)	3.7	1.1
Total Core Fund	100%	7.5%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	6.5%	3.8%
International Equities	30	7.4	4.7
Total Variable Fund	100%	6.9%	4.2%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

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

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

1. Wisconsin Retirement System (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 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) 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)	\$ 33,993,072	\$ 3,623,490	\$ (17,953,226)

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

Payables to the Pension Plan. The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS as of June 30, 2025 is \$525,690 for June payroll.

2. Supplemental Pension Plan

Plan Description and Benefits Provided. The District provides a supplemental pension benefit to eligible retirees in the form of a cash stipend. The supplemental pension plan is a single-employer defined benefit plan administered by the District. The amount of the stipend differs by classification and date of hire. For most classifications, the stipend is either based upon a specified percentage of the retiree's last salary or a specified percentage of the BA base in effect upon retirement. The benefits paid to eligible retirees are accounted for under GASB Statement No. 68. The plan is administered by the District and does not issue a stand-alone report.

Employees Covered by Benefit Terms. Membership of the Plan at June 30, 2024 used for the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefit payments	120
Active employees	735
	<u>855</u>

Investment Policy. Funds for the pension plan, "Employee Benefit Trust," adheres to Wisconsin Statute 881.01 "Uniform Prudent Investor Act" which requires reasonable care, skill, and caution in the investment and managing of trust assets. The Employee Benefit Trust is managed by BMO Financial Group.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are calculated by the actuary and the asset allocation targets and expected returns as of June 30, 2025 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAMLL 3-Mon Tbill	2.00%	0.83%	0.80%
US Core Bonds	Barclays Aggregate	43.00%	2.35%	2.20%
US Large Caps	Russell 3000	55.00%	5.48%	3.76%

The discount rate used to measure the total pension liability was 5.50 percent. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Actuarial Assumptions. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of salary
Actuarial assumptions:	
Discount rate	5.50%

Mortality rates are the same as those used in the December 31, 2024 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 – June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected pension payments for current active and inactive employees. 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.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2024	\$ 10,150,412	\$ 9,854,269	\$ 296,143
Changes for the year:			
Service cost	176,455	-	176,455
Interest	520,828	-	520,828
Differences between expected and actual experiences	-	-	-
Effects of economic/demographic gains or losses	(25,089)	-	(25,089)
Changes of assumptions or other input	(5,438)	-	(5,438)
Contributions - employer	-	-	-
Adjustments to trust balance	-	-	-
Net investment income	-	1,012,457	(1,012,457)
Benefit payments	(1,737,811)	(1,737,811)	-
Administrative expense	-	(32,670)	32,670
Net changes	(1,071,055)	(758,024)	(313,031)
Balance at June 30, 2025	\$ 9,079,357	\$ 9,096,245	\$ (16,888)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District's net pension liability (asset) calculated using the discount rate of 5.50 percent, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1–percentage-point lower (4.50 percent) or 1–percentage-point higher (6.50 percent) than the current rate:

	1% Decrease to Discount Rate (4.50%)	Current Discount Rate (5.50%)	1% Increase To Discount Rate (6.50%)
Total Pension Liability	\$ 9,467,948	\$ 9,079,357	\$ 8,705,439
Fiduciary Net Position	9,096,245	9,096,245	9,096,245
Net Pension Liability (Asset)	\$ 371,703	\$ (16,888)	\$ (390,806)

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 6 – Defined Benefit Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported an asset of \$16,888 representing the net pension liability (asset) of the supplemental pension plan. For the year ended June 30, 2025, the District recognized reduction of pension expense of \$50,838 for the supplemental pension plan. At June 30, 2025, the District reported deferred outflows and inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between pension plan - projected and actual experiences	\$ 127,709	\$ 819,958
Changes in assumptions	43,427	4,505
Net differences between pension plan - projected and actual earnings on pension plan investments	-	445,686
Total	\$ 171,136	\$ 1,270,149

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 95,817
2027	(478,421)
2028	(439,656)
2029	(272,406)
2030	(4,347)
	\$ (1,099,013)

Payables to the Pension Plan. At June 30, 2025, the District reported no outstanding contributions to the plan.

Note 7 – Post-Employment Benefits Other than Pension Benefits

Single-employer Defined Postemployment Benefit Plan

Plan Description and Benefits Provided. The District's post-employment medical plan is a single-employer, defined benefit healthcare plan administered by the District. The authority to establish and amend benefit provisions is with the Board of Education. There is no financial report issued by the plan.

The Plan provides medical and life insurance benefits to eligible retirees and their spouses. To be eligible, the retiree must be 55 years old.

Health benefits – all employees who retire prior to July 1, 2012 – both retiree and spouse coverage continue until the retiree reaches Medicare eligibility age (medical and dental) by paying the same percentage that the current actives pay (approximately 12.6%).

Health benefits – all employees who retire on and after July 1, 2012 – both retiree and spouse coverage continue until the retiree reaches Medicare eligibility age (medical and dental) by paying 100% of the premium.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)

Life insurance benefits – all employees who retire prior to June 30, 2015 – retiree is eligible for life insurance benefit equal to 100% of salary at retirement. Benefit reduced to 50% of salary at retirement at age 66, and 25% of salary at retirement for ages above 66. The District pays 100% of premiums after age 65. Employees who retire after July 1, 2011 are responsible for 100% of the premium. A buyout of the life insurance benefits was completed in the 2019-2020 fiscal years. As of June 30, 2020, the life insurance benefits are no longer valued in the liabilities.

Employees Covered by Benefit Terms. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Active employees	529
	<u>563</u>

Investments. Rate of Return. For the year ended June 30, 2025, the annual money-weighted rate of return, net of investment expense, was 13.77%.

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

Net OPEB Liability

Total OPEB Liability - Ending	\$ 3,179,725
Plan Fiduciary Net Position - Ending	(2,884,447)
District's Net OPEB Liability - Ending	<u>\$ 295,278</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	90.71%

Net OPEB Liability. The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.30%
Investment rate of return:	5.50%
Healthcare cost trend rates:	6.50% decreasing by 0.50% per year down to 5.00%, then by 0.10% and level thereafter

Mortality rates are the same as those used in the December 2024 Wisconsin Retirement Systems' annual report.

The actuarial assumptions used in the June 30, 2024 valuation were based on the "Wisconsin Retirement System 2021-2023 Experience Study".

The long-term expected rate of return on OPEB plan investments was valued at 5.50%. A blend of expected earnings on District funds and the current yield for 20 year tax-exempt AA Municipal bond rate or high as of the measurement date was used for all years of benefit payments.

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. 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.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		Net OPEB
	Total OPEB Liability	Plan Fiduciary Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balance as of 6/30/24	\$ 3,637,204	\$ 2,844,414	\$ 792,790
Changes for the year:			
Service Cost	127,773	-	127,773
Interest	197,803	-	197,803
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Effect of economic/demographic gains or losses	(463,817)	-	(463,817)
Changes of Assumptions or Other Input	22,422	-	22,422
Contributions - Employer	-	-	-
Adjustments to Trust Balance	-	-	-
Net Investment Income	-	394,431	(394,431)
Benefit Payments	(341,660)	(341,660)	-
Administrative Expense	-	(12,738)	12,738
Net Changes	(457,479)	40,033	(497,512)
Balances at 6/30/25	\$ 3,179,725	\$ 2,884,447	\$ 295,278

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the District's net OPEB liability (asset) calculated using the discount rate of 5.50 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current rate:

	Current Discount		
	1% Decrease (4.50%)	Rate (5.50%)	1% Increase (6.50%)
Total OPEB Liability	\$ 3,413,401	\$ 3,179,725	\$ 2,960,984
Fiduciary Net Position	2,884,447	2,884,447	2,884,447
Net OPEB Liability (Asset)	\$ 528,954	\$ 295,278	\$ 76,537

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates. The following presents the District's net OPEB liability (asset) calculated using the current healthcare cost trend rate of 6.50 percent decreasing to 5.00 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50% decreasing to 6.0 percent) than the current rate:

	Healthcare Cost		
	1% Decrease (5.50% decreasing to 4.0%)	Trend Rates (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
Total OPEB Liability	\$ 2,856,639	\$ 3,179,725	\$ 3,555,490
Fiduciary Net Position	2,884,447	2,884,447	2,884,447
Net OPEB Liability (Asset)	\$ (27,808)	\$ 295,278	\$ 671,043

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)

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

For the year ended June 30, 2025, the District recognized a reduction of OPEB expense of \$168,884.

For the year ended June 30, 2025, the District recognized an OPEB liability of \$295,278. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 1,397,288	\$ 832,731
Changes in assumptions	20,380	2,317,067
Net differences between projected and actual earnings on OPEB plan investments	-	164,134
Total	\$ 1,417,668	\$ 3,313,932

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2026	\$ (220,545)
2027	(399,888)
2028	(426,701)
2029	(346,663)
2030	(148,777)
Thereafter	(353,690)
	\$ (1,896,264)

Note 8 – Dental Self-Insurance

At June 30, 2025, the District has reported a liability of \$93,497, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. At June 30, 2025, the District has reported expenditures of \$656,635.

	Beginning-of- Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year- End
2022 - 2023	\$ 45,294	\$ 707,773	\$ 707,773	\$ 45,294
2023 - 2024	45,294	691,919	638,166	99,047
2024 - 2025	99,047	651,085	656,635	93,497

NEENAH JOINT SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2025

Note 9 – Fund Equity

District-Wide Statements

Net position of the governmental activities reported on the district-wide statement of net position at June 30, 2025 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 193,370,585
Less: Related Long-Term Debt Outstanding	(129,830,000)
Less: Debt Premium	(7,564,801)
Less: Lease Obligation	(754,899)
Net Investment in Capital Assets	<u>55,220,885</u>
Restricted for	
Pension Benefits - Cost Sharing Plan	5,272,270
Future Debt Service	1,183,771
Capital Projects	10,835,189
Food Service	2,017,409
Donor Intentions	874,150
Unspent Common School Funds	442,030
Total Restricted	<u>20,624,819</u>
Unrestricted	<u>14,216,960</u>
Total District-Wide Net Position	<u>\$ 90,062,664</u>

Note 10 – Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount has been approved by a referendum.

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

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

Note 11 – Contingencies

The District 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. The District believes such disallowances, if any, would be immaterial.

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2025, are not likely to have a material adverse impact on the District's financial position.

Note 12 – Risk Management

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

REQUIRED SUPPLEMENTARY INFORMATION

NEENAH JOINT SCHOOL DISTRICT

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS) Last 10 Fiscal Years

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Asset/Liability	District's Proportionate Share of the Net Pension (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2024	0.22051890%	\$ 3,623,490	\$ 44,197,504	8.20%	98.79%
12/31/2023	0.22870733%	3,400,434	43,961,616	7.74%	98.85%
12/31/2022	0.23079419%	12,226,792	41,677,949	29.34%	95.72%
12/31/2021	0.23545832%	(18,978,373)	39,762,228	47.73%	106.02%
12/31/2020	0.24047919%	(15,013,449)	38,738,269	38.76%	105.26%
12/31/2019	0.24693309%	(7,962,250)	39,173,106	20.33%	102.96%
12/31/2018	0.24886813%	8,853,947	37,730,840	23.47%	96.45%
12/31/2017	0.24992833%	(7,420,668)	37,252,178	19.92%	102.93%
12/31/2016	0.24901101%	2,052,445	36,219,641	5.67%	99.12%
12/31/2015	0.24770307%	4,025,127	35,269,235	11.41%	98.20%

Schedule of Employer Contributions Wisconsin Retirement System (WRS)

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2025	\$ 3,074,209	\$ 3,074,209	\$ -	\$ 44,391,455	6.93%
6/30/2024	3,049,181	3,049,181	-	44,514,252	6.85%
6/30/2023	2,824,928	2,824,928	-	42,462,132	6.65%
6/30/2022	2,690,555	2,690,555	-	40,632,126	6.62%
6/30/2021	2,615,417	2,615,417	-	38,738,269	6.75%
6/30/2020	2,565,840	2,565,840	-	39,173,106	6.55%
6/30/2019	2,527,909	2,527,909	-	37,730,840	6.70%
6/30/2018	2,532,919	2,532,919	-	37,252,178	6.80%
6/30/2017	2,390,179	2,390,179	-	36,219,641	6.60%
6/30/2016	2,399,788	2,399,788	-	35,269,235	6.80%

NEENAH JOINT SCHOOL DISTRICT
Schedule of Changes in the Net Pension Liability (Asset), Fiduciary Net Position and Related Ratios
Supplemental Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 176,455	\$ 216,146	\$ 204,878	\$ 276,041	\$ 337,921	\$ 320,304	\$ 404,279	\$ 383,203	\$ 363,226	\$ 344,290
Interest	520,828	572,319	684,774	711,291	724,456	737,640	727,281	772,499	826,859	856,542
Difference Between Expected and Actual Experience	-	-	(1,430,099)	-	232,586	-	430,482	-	-	-
Effect of economic/demographic gains or losses	(25,089)	-	-	-	-	-	-	-	-	-
Changes of Assumptions or Other Input	(5,438)	-	40,572	-	-	-	154,047	-	-	-
Benefit Payments	(1,737,811)	(1,633,557)	(1,480,572)	(1,318,157)	(1,622,668)	(1,016,020)	(1,860,208)	(2,133,953)	(2,260,980)	(1,976,989)
Net Change in Total Pension Liability	(1,071,055)	(845,092)	(1,980,447)	(330,825)	(327,705)	41,924	(144,119)	(978,251)	(1,070,895)	(776,157)
Total Pension Liability - Beginning	10,150,412	10,995,504	12,975,951	13,306,776	13,634,481	13,592,557	13,736,676	14,714,927	15,785,822	16,561,979
Total Pension Liability - Ending (A)	\$ 9,079,357	\$ 10,150,412	\$ 10,995,504	\$ 12,975,951	\$ 13,306,776	\$ 13,634,481	\$ 13,592,557	\$ 13,736,676	\$ 14,714,927	\$ 15,785,822
Plan Fiduciary Net Position										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,016,020	\$ 5,276,089	\$ 3,339,643	\$ 4,915,389	\$ 4,870,617
Net investment income	1,012,457	1,228,906	974,608	(1,758,234)	2,635,926	681,398	650,232	349,598	519,671	152,694
Benefit payments	(1,737,811)	(1,633,557)	(1,480,572)	(1,318,157)	(1,622,668)	(1,016,020)	(1,860,208)	(2,133,853)	(2,260,980)	(1,976,989)
Adjustment to Trust Balance	-	(969,569)	-	-	-	-	-	-	-	-
Administrative expenses	(32,670)	(35,330)	(38,037)	(46,469)	(46,945)	(37,582)	(34,357)	(30,353)	(34,908)	(40,233)
Net Change in Plan Fiduciary Net Position	(758,024)	(1,409,550)	(544,001)	(3,122,860)	966,313	643,816	4,031,756	1,525,035	3,139,172	3,006,089
Plan Fiduciary Net Position - Beginning	9,854,269	11,263,819	11,807,820	14,930,680	13,964,367	13,320,551	9,288,795	7,763,760	4,624,588	1,618,499
Plan Fiduciary Net Position - Ending (B)	\$ 9,096,245	\$ 9,854,269	\$ 11,263,819	\$ 11,807,820	\$ 14,930,680	\$ 13,964,367	\$ 13,320,551	\$ 9,288,795	\$ 7,763,760	\$ 4,624,588
District's Net Pension Liability (Asset) - Ending (A) - (B)	\$ (16,888)	\$ 296,143	\$ (268,315)	\$ 1,168,131	\$ (1,623,904)	\$ (329,886)	\$ 272,006	\$ 4,447,881	\$ 6,951,167	\$ 11,161,234
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.19%	97.08%	102.44%	91.00%	112.20%	102.42%	98.00%	32.38%	52.76%	29.30%
Covered Employee Payroll	\$ 42,694,513	\$ 39,682,866	\$ 40,226,877	\$ 36,184,728	\$ 37,750,121	\$ 38,391,631	\$ 38,391,631	\$ 36,908,169	\$ 36,237,656	\$ 35,342,543
Net Pension Liability (Asset) as Percentage of Covered Employee Payroll	0.04%	0.75%	0.67%	3.23%	4.30%	0.86%	0.71%	12.05%	19.18%	31.58%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	10.69%	11.64%	8.45%	13.15%	18.24%	4.99%	5.75%	4.10%	8.39%	4.89%

NEENAH JOINT SCHOOL DISTRICT
Schedule of Employer Contributions - Supplemental Pension Plan
Last 10 Measurement Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,016,020	\$ 5,276,089	\$ 3,339,643	\$ 4,915,389	\$ 4,870,617
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-	1,016,020	5,263,237	3,339,643	2,266,087	2,500,000
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,852</u>	<u>\$ -</u>	<u>\$ 2,649,302</u>	<u>\$ 2,370,617</u>
Covered-Employee Payroll	\$ 42,694,513	\$ 39,682,866	\$ 40,226,877	\$ 36,184,728	\$ 37,750,121	\$ 38,391,631	\$ 38,391,631	\$ 36,908,169	\$ 36,237,656	\$ 35,342,543
Contributions as a percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	2.65%	13.71%	9.05%	6.25%	7.07%

** Amount is the budgeted amount calculated by the actuary and used by the District to allow it to fully fund its obligations over a certain period of time and remain within its budget.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Changes in Net OPEB Liability (Asset), Fiduciary Net Position, and Related
Ratios Other Post-Employment Benefits
Last 10 Measurement Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Cost	\$ 127,773	\$ 151,051	\$ 143,176	\$ 201,108	\$ 267,125	\$ 253,199	\$ 309,379	\$ 293,250	\$ 277,962
Interest	197,803	197,658	207,396	225,673	315,519	408,241	675,649	686,578	694,324
Changes of Benefit Terms	-	-	-	-	-	809,579	-	-	-
Differences Between Expected and Actual Experience	-	-	1,422,773	-	290,491	-	(1,197,515)	329,291	600,389
Effect of economic/demographic gains or losses	(463,817)	-	-	-	-	-	-	-	-
Changes of Assumptions or Other Input	22,422	-	(1,585,249)	-	(1,338,850)	-	(1,198,781)	-	-
Benefit Payments	(341,660)	(304,405)	(439,836)	(955,610)	(968,818)	(5,589,924)	(1,257,094)	(1,463,218)	(1,723,390)
Net Change in Total OPEB Liability	(457,479)	44,304	(251,740)	(528,829)	(1,434,533)	(4,118,905)	(2,668,362)	(154,099)	(150,715)
Total OPEB Liability - Beginning	3,637,204	3,592,900	3,844,640	4,373,469	5,808,002	9,926,907	12,595,269	12,749,368	12,900,083
Total OPEB Liability - Ending (a)	\$ 3,179,725	\$ 3,637,204	\$ 3,592,900	\$ 3,844,640	\$ 4,373,469	\$ 5,808,002	\$ 9,926,907	\$ 12,595,269	\$ 12,749,368
Fiduciary Net Position									
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ 686,525	\$ 4,093,280	\$ 1,606,551	\$ 2,319,636	\$ 2,278,039
Net Investment Income	394,431	320,306	327,029	(577,172)	956,493	233,618	301,519	149,022	311,784
Benefit Payments	(341,660)	(304,405)	(439,836)	(955,610)	(968,818)	(5,589,924)	(1,257,094)	(1,463,218)	(1,723,390)
Adjustment to Trust Balance	-	(968,393)	-	-	-	-	-	-	-
Administrative Expense	(12,738)	(12,723)	(12,940)	(16,028)	(17,102)	(13,256)	(15,070)	(13,202)	(16,909)
Net Change in Fiduciary Net Position	40,033	(965,215)	(125,747)	(1,548,810)	657,098	(1,276,282)	635,906	992,238	849,524
Fiduciary Net Position - Beginning	2,844,414	3,809,629	3,935,376	5,484,186	4,827,088	6,103,370	5,467,464	4,475,226	3,625,702
Fiduciary Net Position - Ending (b)	\$ 2,884,447	\$ 2,844,414	\$ 3,809,629	\$ 3,935,376	\$ 5,484,186	\$ 4,827,088	\$ 6,103,370	\$ 5,467,464	\$ 4,475,226
Net OPEB Liability (Asset) (a) - (b)	\$ 295,278	\$ 792,790	\$ (216,729)	\$ (90,736)	\$ (1,110,717)	\$ 980,914	\$ 3,823,537	\$ 7,127,805	\$ 8,274,142
Fiduciary Net Position as a Percentage of the Total OPEB Liability	90.71%	78.20%	106.03%	102.36%	125.40%	83.11%	61.48%	43.41%	35.10%
Covered-Employee Payroll	\$ 42,694,513	\$ 39,682,866	\$ 40,226,877	\$ 36,184,728	\$ 37,750,121	\$ 38,391,631	\$ 38,391,631	\$ 36,908,169	\$ 36,908,169
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	0.69%	2.00%	0.54%	0.25%	2.94%	2.56%	9.96%	19.31%	22.42%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	13.77%	9.63%	8.44%	-12.25%	18.55%	4.27%	5.21%	3.00%	7.70%

*Ten years of data will be accumulated beginning with 2017.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Employer Contributions - Other Post-Employment Benefits
Last 10 Measurement Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution **	\$ -	\$ -	\$ -	\$ -	\$ 686,525	\$ 4,093,280	\$ 1,606,551	\$ 2,319,636
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	686,525	4,093,280	1,605,967	1,424,000
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584</u>	<u>\$ 895,636</u>
Covered-Employee Payroll	\$ 42,694,513	\$ 39,682,866	\$ 40,226,877	\$ 36,184,728	\$ 37,750,121	\$ 38,391,631	\$ 38,391,631	\$ 36,908,169
Contributions as a percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	1.82%	10.66%	4.18%	3.86%

* Ten years of data will be accumulated beginning with 2017.

** Amount is the budgeted amount calculated by the actuary and used by the District to allow it to fully fund its obligations over a certain period of time and remain within its budget.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original and		Budgetary	Final Budget
	Final		Basis	Favorable
				(Unfavorable)
REVENUES				
Property Taxes	\$ 25,819,151	\$	25,818,651	\$ (500)
Other Local Sources	941,600		1,273,425	331,825
Interdistrict Sources	1,473,694		1,456,239	(17,455)
Intermediate Sources	40,000		50,572	10,572
State Sources	61,407,501		60,172,908	(1,234,593)
Federal Sources	2,599,959		2,574,650	(25,309)
Other Sources	327,000		3,824,775	3,497,775
Total Revenues	<u>92,608,905</u>		<u>95,171,220</u>	<u>2,562,315</u>
EXPENDITURES				
Instruction				
Regular Instruction	30,801,989		31,182,040	(380,051)
Vocational Instruction	1,720,240		1,730,007	(9,767)
Physical Instruction	1,896,744		1,854,415	42,329
Special Instruction	119,740		5,667	114,073
Other Instruction	1,793,538		1,934,236	(140,698)
Total Instruction	<u>36,332,251</u>		<u>36,706,365</u>	<u>(374,114)</u>
Support Services				
Pupil Services	3,578,249		3,867,389	(289,140)
Instructional Staff Services	3,376,677		3,311,844	64,833
General Administration Services	2,224,449		1,865,652	358,797
School Building Administration Services	5,357,906		4,460,462	897,444
Business Administration	1,082,070		1,061,296	20,774
Operations and Maintenance	14,002,245		12,872,574	1,129,671
Pupil Transportation	2,364,600		2,280,011	84,589
Internal Services	42,610		40,554	2,056
Other Business Administration Services	250		-	250
Central Services	1,869,394		1,731,636	137,758
Insurance	582,112		546,366	35,746
Other Support Services	63,251		89,315	(26,064)
Debt Service				
Principal	85,983		833,165	(747,182)
Interest and Fiscal Charges	47,117		54,321	(7,204)
Total Support Services	<u>34,676,913</u>		<u>33,014,585</u>	<u>1,662,328</u>

NEENAH JOINT SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2025

	Budgeted Amounts Original and Final	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Non-Program Transactions			
General Tuition Payments	49,365	55,706	(6,341)
Open Enrollment Expense	4,593,612	4,717,302	(123,690)
Voucher Payments	3,877,146	3,888,670	(11,524)
Revenue Transits To Others	25,000	23,304	1,696
Adjustments and Refunds	260,500	27,588	232,912
Total Non-Program Transactions	8,805,623	8,712,570	93,053
Total Expenditures	79,814,787	78,433,520	1,381,267
EXCESS OF REVENUES OVER EXPENDITURES	12,794,118	16,737,700	3,943,582
OTHER FINANCING SOURCES (USE)			
Sale of Capital Assets	10,000	3,025	(6,975)
Issuance of Lease Obligation	-	366,125	366,125
Transfer from Other Fund	-	14,229	14,229
Transfer to Other Funds	(12,800,000)	(17,055,224)	(4,255,224)
Total Other Financing Sources (Use)	(12,790,000)	(16,671,845)	(3,881,845)
NET CHANGE IN FUND BALANCE	4,118	65,855	61,737
FUND BALANCE - BEGINNING OF YEAR	17,560,642	17,560,642	-
FUND BALANCE - END OF YEAR	\$ 17,564,760	\$ 17,626,497	\$ 61,737

NEENAH JOINT SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

Budgets and Budgetary Accounting

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

The District follows these procedures in establishing the budgetary data:

- a. Based upon requests from district staff, district administration recommends budget proposals to the school board.
- b. The school board reviews a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the school board may make alterations to the proposed budget.
- d. Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations, unless authorized by a 2/3 vote of the entire school board.

Basis of Accounting

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

Excess of Actual Expenditures Over Budget

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

Individual Function	Excess Expenditures
Regular Instruction	\$ 380,051
Vocational Instruction	9,767
Other Instruction	140,698
Pupil Services	289,140
Other Support Services	26,064
Principal	747,182
Interest and Fiscal Charges	7,204
General Tuition Payments	6,341
Open Enrollment Expense	123,690
Voucher Payments	11,524

NEENAH JOINT SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2025

Budget-to-Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>General Fund</u>
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Sources" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 95,554,599
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	<u>5,726,798</u>
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	<u><u>\$ 101,281,397</u></u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Use" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 95,488,744
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	14,701,714
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	<u>(8,974,916)</u>
Total Expenditures and Other Financing Use as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u><u>\$ 101,215,542</u></u>

NEENAH JOINT SCHOOL DISTRICT
Notes to Required Supplementary Information - Continued
For the Year Ended June 30, 2025

Defined Benefit Pension Plan

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.

Single Employer Plan

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. There were no changes in assumptions.

Post-Employment Benefits Other Than Pension Benefits

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2025

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Referendum Debt Service	
ASSETS					
Cash and Investments	\$ 872,227	\$ 1,998,516	\$ 388,996	\$ 2,582,491	\$ 5,842,230
Receivables:					
Accounts	1,960	644	16,305	-	18,909
Due from Other Governments	-	49,658	-	-	49,658
Total Assets	<u>\$ 874,187</u>	<u>\$ 2,048,818</u>	<u>\$ 405,301</u>	<u>\$ 2,582,491</u>	<u>\$ 5,910,797</u>
LIABILITIES					
Accounts Payable	\$ 37	\$ -	\$ -	\$ -	\$ 37
Accrued Liabilities	-	23,124	1,172	-	24,296
Unearned Revenue	-	8,285	-	-	8,285
Total Liabilities	<u>37</u>	<u>31,409</u>	<u>1,172</u>	<u>-</u>	<u>32,618</u>
FUND BALANCES					
Restricted	874,150	2,017,409	-	2,582,491	5,474,050
Assigned	-	-	404,129	-	404,129
Total Fund Balances	<u>874,150</u>	<u>2,017,409</u>	<u>404,129</u>	<u>2,582,491</u>	<u>5,878,179</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 874,187</u>	<u>\$ 2,048,818</u>	<u>\$ 405,301</u>	<u>\$ 2,582,491</u>	<u>\$ 5,910,797</u>

NEENAH JOINT SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Debt Service Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Referendum Debt Service	Non-Referendum Debt Service	Capital Projects	Capital Expansion	
REVENUES								
Property Taxes	\$ -	\$ -	\$ 550,001	\$ 9,286,325	\$ 1,786,281	\$ -	\$ -	\$ 11,622,607
Other Local Sources	1,183,869	1,470,375	65,340	-	-	-	-	2,719,584
State Sources	-	40,132	-	-	-	-	-	40,132
Federal Sources	-	2,023,395	-	-	-	-	-	2,023,395
Other Sources	595	4,027	2,698	-	-	-	-	7,320
Total Revenues	<u>1,184,464</u>	<u>3,537,929</u>	<u>618,039</u>	<u>9,286,325</u>	<u>1,786,281</u>	<u>-</u>	<u>-</u>	<u>16,413,038</u>
EXPENDITURES								
Instruction:								
General Instruction	907	-	-	-	-	-	-	907
Other Instruction	1,036,128	-	-	-	-	-	-	1,036,128
Total Instruction	<u>1,037,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,037,035</u>
Support Services:								
General Administration Services	-	-	222,451	-	-	-	-	222,451
School Building Administration Services	28,771	-	-	-	-	-	-	28,771
Operations and Maintenance	-	-	47,936	-	-	-	195,649	243,585
Food Services	-	3,357,689	-	-	-	-	-	3,357,689
Other Support Services	-	-	3,090	-	-	-	-	3,090
Community Services	-	-	239,339	-	-	-	-	239,339
Debt Service								
Principal	-	-	-	6,670,000	-	-	-	6,670,000
Interest and Fiscal Charges	-	-	-	2,746,950	1,786,281	-	-	4,533,231
Total Support Services	<u>28,771</u>	<u>3,357,689</u>	<u>512,816</u>	<u>9,416,950</u>	<u>1,786,281</u>	<u>-</u>	<u>195,649</u>	<u>15,298,156</u>
Non-Program Transactions								
Adjustments and Refunds	-	328,466	-	-	-	-	-	328,466
Total Expenditures	<u>1,065,806</u>	<u>3,686,155</u>	<u>512,816</u>	<u>9,416,950</u>	<u>1,786,281</u>	<u>-</u>	<u>195,649</u>	<u>16,663,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,658</u>	<u>(148,226)</u>	<u>105,223</u>	<u>(130,625)</u>	<u>-</u>	<u>-</u>	<u>(195,649)</u>	<u>(250,619)</u>
OTHER FINANCING USE								
Transfer to Other Fund	-	-	-	(4,120)	-	(10,109)	-	(14,229)
NET CHANGES IN FUND BALANCES	<u>118,658</u>	<u>(148,226)</u>	<u>105,223</u>	<u>(134,745)</u>	<u>-</u>	<u>(10,109)</u>	<u>(195,649)</u>	<u>(264,848)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>755,492</u>	<u>2,165,635</u>	<u>298,906</u>	<u>2,717,236</u>	<u>-</u>	<u>10,109</u>	<u>195,649</u>	<u>6,143,027</u>
FUND BALANCES - END OF YEAR	<u>\$ 874,150</u>	<u>\$ 2,017,409</u>	<u>\$ 404,129</u>	<u>\$ 2,582,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,878,179</u>

NEENAH JOINT SCHOOL DISTRICT

Combining Schedule of Internal General and Special Education Funds - Balance Sheet
As of June 30, 2025

	General	Special Education	Total General Fund
ASSETS			
Cash and Investments	\$ 20,906,611	\$ 800,427	\$ 21,707,038
Receivables:			
Taxes	9,426,678	-	9,426,678
Accounts	578,552	144,861	723,413
Due from Other Governments	1,182,679	444,161	1,626,840
TOTAL ASSETS	<u>\$ 32,094,520</u>	<u>\$ 1,389,449</u>	<u>\$ 33,483,969</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 66	\$ -	\$ 66
Accrued Liabilities	6,181,582	1,389,449	7,571,031
Due to Other Funds	8,080,308	-	8,080,308
Due to State Government	680	-	680
Dental Benefit Claims Payable	93,497	-	93,497
Deferred Revenue	111,890	-	111,890
Total Liabilities	<u>14,468,023</u>	<u>1,389,449</u>	<u>15,857,472</u>
FUND BALANCES			
Restricted	442,030	-	442,030
Unassigned	17,184,467	-	17,184,467
Total Fund Balances	<u>17,626,497</u>	<u>-</u>	<u>17,626,497</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,094,520</u>	<u>\$ 1,389,449</u>	<u>\$ 33,483,969</u>

NEENAH JOINT SCHOOL DISTRICT
Combining Schedule of Internal General and Special Education Funds -
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General	Special Education	Total General Fund
REVENUES			
Property Taxes	\$ 25,818,651	\$ -	\$ 25,818,651
Other Local Sources	1,273,425	900	1,274,325
Interdistrict Sources	1,456,239	-	1,456,239
Intermediate Sources	50,572	23,874	74,446
State Sources	60,172,908	3,500,830	63,673,738
Federal Sources	2,574,650	2,094,781	4,669,431
Other Sources	3,824,775	106,413	3,931,188
Total Revenues	<u>95,171,220</u>	<u>5,726,798</u>	<u>100,898,018</u>
EXPENDITURES			
Instruction			
Regular Instruction	31,182,040	445,835	31,627,875
Vocational Instruction	1,730,007	-	1,730,007
Physical Instruction	1,854,415	-	1,854,415
Special Instruction	5,667	11,092,201	11,097,868
Other Instruction	1,934,236	-	1,934,236
Total Instruction	<u>36,706,365</u>	<u>11,538,036</u>	<u>48,244,401</u>
Support Services			
Pupil Services	3,867,389	954,312	4,821,701
Instructional Staff Services	3,311,844	299,428	3,611,272
General Administration Services	1,865,652	29,400	1,895,052
School Building Administration Services	4,460,462	-	4,460,462
Business Services	1,061,296	-	1,061,296
Operations and Maintenance	12,872,574	228,059	13,100,633
Pupil Transportation	2,280,011	684,651	2,964,662
Internal Services	40,554	-	40,554
Central Services	1,731,636	-	1,731,636
Insurance	546,366	-	546,366
Other Support Services	89,315	-	89,315
Debt Service			
Principal	833,165	-	833,165
Interest and Fiscal Charges	54,321	-	54,321
Total Support Services	<u>33,014,585</u>	<u>2,195,850</u>	<u>35,210,435</u>
Non-Program Transactions			
Open Enrollment	4,717,302	-	4,717,302
General Tuition Payments	55,706	-	55,706
Non-Program Payments	-	967,297	967,297
Voucher Payments	3,888,670	-	3,888,670
Revenue Transits To Others	23,304	-	23,304
Adjustments and Refunds	27,588	531	28,119
Total Non-Program Transactions	<u>8,712,570</u>	<u>967,828</u>	<u>9,680,398</u>
Total Expenditures	<u>78,433,520</u>	<u>14,701,714</u>	<u>93,135,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,737,700</u>	<u>(8,974,916)</u>	<u>7,762,784</u>
OTHER FINANCING SOURCES (USE)			
Sale of Equipment	3,025	-	3,025
Issuance of Lease Obligation	366,125	-	366,125
Transfer from Other Funds	14,229	8,974,916	8,989,145
Transfer to Other Funds	(17,055,224)	-	(17,055,224)
Total Other Financing Sources (Use)	<u>(16,671,845)</u>	<u>8,974,916</u>	<u>(7,696,929)</u>
NET CHANGES IN FUND BALANCES	65,855	-	65,855
FUND BALANCES - BEGINNING OF YEAR	<u>17,560,642</u>	<u>-</u>	<u>17,560,642</u>
FUND BALANCES - END OF YEAR	<u>\$ 17,626,497</u>	<u>\$ -</u>	<u>\$ 17,626,497</u>

OTHER INFORMATION

NEENAH JOINT SCHOOL DISTRICT
Schedule of Charter School Authorizer Operating Costs
For the Year Ended June 30, 2025

<u>Operating Activity</u>	<u>WUFAR Object Code</u>	<u>Cost</u>
Employee Salaries	100	\$ 1,102
Employee Benefits	200	370
Total		<u><u>\$ 1,472</u></u>

ADDITIONAL REPORTS

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

To the Board of Education
Neenah Joint School District
Neenah, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Neenah Joint School District (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 October 15, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

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*.

To the Board of Education
Neenah Joint School District

District's Response to Findings

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

Purpose of this Report

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
October 15, 2025

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

To the Board of Education
Neenah Joint School District
Neenah, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, *Wisconsin State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, *Wisconsin State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

To the Board of Education
Neenah Joint School District

Report on Internal Control over Compliance (Continued)

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

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

Purpose of this Report

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
October 15, 2025

FEDERAL AND STATE AWARDS SECTION

NEENAH JOINT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2024	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2025	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>CHILD NUTRITION CLUSTER</i>								
School Breakfast Program	10.553	WI DPI	2025-703892-DPI-SB-SEVERE-546	\$ -	\$ 391,541	\$ 7,840	\$ 399,381	\$ -
National School Lunch Program	10.555	WI DPI	2025-703892-DPI-NSL-547	-	1,300,205	14,876	1,315,081	-
Donated Commodities	10.555	WI DPI	2025-703892-DPI-NSL-547	-	272,589	-	272,589	-
<i>Total National School Lunch Program</i>				-	1,572,794	14,876	1,587,670	-
Summer Food Service Program	10.559	WI DPI	2024-703892-DPI-SFSP-586	(34,946)	34,946	-	-	-
Summer Food Service Program	10.559	WI DPI	2025-703892-DPI-SFSP-586	11	11	26,942	26,953	-
<i>Total Summer Food Service Program</i>				(34,946)	34,957	26,942	26,953	-
USDA FFVP October Public	10.582	WI DPI	Not Available	-	7,746	-	7,746	-
USDA FFVP July Public	10.582	WI DPI	Not Available	-	1,645	-	1,645	-
Total USDA FFVP				-	9,391	-	9,391	-
Total U.S. Department of Agriculture and Child Nutrition Cluster				(34,946)	2,008,683	49,658	2,023,395	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2024-703892-DPI-TI-A-141	(748,650)	748,650	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2025-703892-DPI-TI-A-141	-	655,182	275,974	931,156	-
<i>Total Title I Grants to Local Educational Agencies</i>				(748,650)	1,403,832	275,974	931,156	-
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2024-703892-DPI-FLOW-341	(770,238)	770,238	-	-	-
Special Education Grants to States	84.027	WI DPI	2025-703892-DPI-FLOW-341	-	1,578,116	503,135	2,081,251	-
Special Education Preschool Grants	84.173	WI DPI	2025-703892-DPI-ESCSC-342	-	4,376	-	4,376	-
Special Education Preschool Grants	84.173	WI DPI	2024-703892-DPI-PRESCH-347	(75,332)	75,332	-	-	-
Special Education Preschool Grants	84.173	WI DPI	2025-703892-DPI-PRESCH-347	-	30,554	34,674	65,228	-
Early Learning Inclusion	84.173	WI DPI	2024-703892-DPI-ELIMG-348	(7,701)	7,701	-	-	-
Early Learning Inclusion	84.173	WI DPI	2025-703892-DPI-ELIMG-348	-	5,482	1,582	7,064	-
<i>Total Special Education Cluster</i>				(853,271)	2,471,799	539,391	2,157,919	-
Career and Technical Education - Basic Grants to States	84.048	CESA 10	2025-703892-DPI-CTE-400	-	47,792	-	47,792	-
English Language Acquisition State Grants	84.365	WI DPI	2024-703892-DPI-TIIA-391	(17,830)	17,830	29,333	29,333	-
Improving Teacher Quality State Grants	84.367	WI DPI	2024-703892-DPI-TIIA-365	(51,633)	51,633	-	-	-
Improving Teacher Quality State Grants	84.367	WI DPI	2025-703892-DPI-TIIA-365	-	85,673	71,655	157,328	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2024-703892-DPI-TIVA-381	(25,489)	25,489	-	-	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2025-703892-DPI-TIVA-381	-	47,506	37,627	85,133	-
Elementary and Secondary School Emergency Relief	84.425U	WI DPI	2024-703892-DPI-ESSERF-165	(716,135)	716,135	-	-	-
Elementary and Secondary School Emergency Relief	84.425U	WI DPI	2025-703892-DPI-ESSERF-165	-	837,031	-	837,031	-
ARPA - Homeless Children and Youth - Part 1	84.425U	WI DPI	2024-703892-DPI-ESSERF-168	(12,200)	12,200	-	-	-
Total U.S. Department of Education				(2,425,208)	5,716,920	953,980	4,245,692	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>MEDICAID CLUSTER</i>								
Medical Assistance Program	93.778	WI DHS	Not Available	-	351,284	35,413	386,697	-
TOTAL FEDERAL ASSISTANCE				<u>\$ (2,460,154)</u>	<u>\$ 8,076,887</u>	<u>\$ 1,039,051</u>	<u>\$ 6,655,784</u>	<u>\$ -</u>
Reconciliation to the basic financial statements:								
Governmental Funds								
Federal Sources							\$ 6,692,826	
Intermediate Sources							47,792	
Less: Nonreportable Grants							(84,834)	
Total expenditures of federal awards							<u>\$ 6,655,784</u>	

The accompanying notes are an integral part of this schedule

NEENAH JOINT SCHOOL DISTRICT

Schedule of State Financial Assistance
For the Year Ended June 30, 2025

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	Deferred Revenue 7/1/2024	Cash Received (Refunded)	(Deferred) Revenue 6/30/2025	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	703892-100	\$ -	\$ 3,500,830	\$ -	\$ 3,500,830	\$ -
Special Education and School Age Parents	255.101	CESA 10	703892-100	-	-	23,874	23,874	-
State School Lunch Aid	255.102	Direct Program	703892-107	-	27,392	-	27,392	-
Common School Fund Library Aid	255.103	Direct Program	703892-104	-	698,310	-	698,310	-
General Transportation Aid	255.107	Direct Program	703892-102	-	131,818	1,242	133,060	-
Equalization Aids	255.201	Direct Program	703892-116	-	52,403,210	448	52,403,658	-
Aid for School Mental Health Programs	255.227	Direct Program	703892-176	-	40,356	9,670	50,026	-
Peer to Peer Suicide Prevention	255.246	Direct Program	703892-183	-	-	1,000	1,000	-
School Based Mental Health Services Grant	255.297	Direct Program	703892-177	(680)	211,074	-	210,394	-
State School Breakfast Aid SSBA	255.344	Direct Program	703892-108	-	12,740	-	12,740	-
Early College Credit Program	255.445	Direct Program	703892-178	(899)	899	1,430	1,430	-
Educator Effective Evaluation System	255.940	Direct Program	703892-154	-	39,385	-	39,385	-
Per Pupil Aid	255.945	Direct Program	703892-113	-	5,010,726	-	5,010,726	-
Career and Technical Education Incentive Grants	255.950	Direct Program	703892-171	-	26,854	-	26,854	-
Robotics League Participation Grants	255.959	Direct Program	703892-167	-	8,740	8,403	17,143	-
Total Wisconsin Department of Public Instruction				<u>\$ (1,579)</u>	<u>\$ 62,112,334</u>	<u>\$ 46,067</u>	<u>\$ 62,156,822</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds

State sources	\$ 63,713,870
Intermediate sources	23,874
Less: State sources not considered state financial assistance	(1,580,922)
Total expenditures of state awards	<u>\$ 62,156,822</u>

The accompanying notes are an integral part of this schedule

NEENAH JOINT SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Year Ended June 30, 2025

Note 1 – Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Neenah Joint School District under programs of the federal and state governments for the year ended June 30, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *Wisconsin State Single Audit Guidelines* and the *Wisconsin Department of Public Instruction Audit Manual*. Because the schedules present only a select portion of operations of the District, they are not intended to, and do not, present the financial position and change in net position of the District.

Note 2 – Summary of Significant Accounting Policies

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

Neenah Joint School District has not elected to use the 10 percent *de minimis* indirect cost rate as allowable under the Uniform Guidance.

Note 3 – Special Education and School Age Parents Program

2024 - 2025 eligible costs under the State Special Education Program are \$12,369,061.

Note 4 – Oversight Agencies

The District's federal oversight agencies are the U.S. Department of Agriculture, the U.S. Department of Education and the U.S. Department of Health and Human Services. The District's state cognizant agency is the Wisconsin Department of Public Instruction.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weakness identified?	No
Significant deficiency identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Name of Federal Program
	<i>Child Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program
10.582	Fresh Fruit and Vegetable Program
84.010	Title I Grants to Local Educational Agencies
	<i>Medicaid Cluster</i>
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
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Auditee qualified as a low-risk auditee?	No
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State Awards

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> or the <i>Wisconsin Department of Public Instruction Audit Manual</i> ?	No

NEENAH JOINT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results (Continued)

Identification of major state programs

State I.D. Number	Name of State Program
255.101	Special Education and School Age Parents
255.201	General Equalization Aids

Section II - Financial Statement Findings

Finding No.

2025-001 Financial Reporting

**Prior Year
Audit Finding:** 2024-001

Condition: During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Cause: Management does not have the training and expertise to prepare the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The outsourcing is a result of management's cost/benefit decision to use our accounting expertise rather than incurring this internal resource cost.

Effect: Although the auditors are preparing the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation: We recommend that management continues to make this decision on a cost/benefit basis.

**Management's
Response:** Due to limited staffing the District will continue to contract with an outside audit firm to complete the statements. Management reviews the financial statements and compares to the District's financial records for completeness and accuracy and accepts responsibility for those financial statements.

**Responsible
Official:** Jon Joch, Chief Financial Officer

**Anticipated
Completion Date:** This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2025

Section II - Financial Statement Findings, Continued

Finding No.

2025-002

Preparation of Schedules of Federal and State Awards

Prior Year Audit Finding:

2024-002

Criteria:

Having staff with expertise in federal and state financial reporting prepare the District's single audit reports is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal and state awards, or accompanying notes to the schedule.

Condition:

The Uniform Guidance and the *State Single Audit Guidelines* require the District to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the District maintain records supporting amounts reported in the schedules of federal and state awards, the District contracts with KerberRose SC to compile the data from these records and assist in the preparation of the single audit report for the District.

Cause:

The additional costs associated with hiring staff sufficiently experienced to prepare the District's single audit report, including the additional training time, outweigh the derived benefits.

Effect:

Although the auditors are assisting with the preparation of the schedules of federal and state awards, management of the District thoroughly reviews the schedules and accepts responsibility for the schedules' completeness and accuracy.

Recommendation:

We recommend management and the District Board continue to monitor the transactions and the financial records of the District. We recommend the District perform a risk assessment of its operations and current procedures to identify and implement mitigating controls to reduce the risk of errors and intentional fraud.

Management's Response:

The District is aware of the requirements and will attempt to compile the information necessary in the future.

Responsible Officials:

Jon Joch, Chief Financial Officer

Anticipated Completion Date:

This finding may not completely resolve itself given the cost/benefit basis of the decision the District continues to make.

NEENAH JOINT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2025

Section III - Federal Award Findings

There were no findings for federal awards.

Section IV - State Award Findings

There were no findings for state awards.

Section V - Other Issues

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Was a management letter or other document conveying audit documents issued as a result of this audit? | Yes |

NEENAH JOINT SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025

Financial Statement Findings

2024-001 – Financial Reporting – See current year finding 2025-001.

2024-002 – Preparation of Schedules of Federal and State Awards – See current year finding 2025-002.

2024-003 – Segregation of Duties – This finding has been resolved in the current year.



NEENAH
JOINT SCHOOL DISTRICT

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Dr. Steve Harrison, Superintendent

CORRECTIVE ACTION PLAN

Financial Statement Findings

2025-001 – Financial Reporting – The District is aware that its staff does not have a process to prepare financial statements and related notes in accordance with GAAP. The District will continue to make this decision on a cost/benefit basis and have auditors assist in preparing the financial statements and related notes. Management does review the financial statements and compares to the District's financial records for completeness and accuracy and accepts responsibility for those financial statements.

Responsible Official – Jon Joch – Chief Financial Officer

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

2025-002 – Preparation of Schedules of Federal and State Awards – The District will continue to make this decision on a cost/benefit basis and have auditors assist in preparing the schedules of expenditures of federal and state awards while reviewing for completeness and accuracy.

Responsible Official – Jon Joch – Chief Financial Officer

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

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