

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT

JUNE 30, 2025

SCHOOL DISTRICT OF ONALASKA

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
School District of Onalaska
Onalaska, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The District's 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 one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 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 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 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 1, 2025

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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

FINANCIAL HIGHLIGHTS

Total District activities revenue was \$58,680,056 including \$25,602,169 of property taxes and \$24,829,499 of general state and federal aid. Total District activities expenditures were \$54,332,702 including \$28,082,628 for direct instruction.

The District's financial status, as reflected in total net position, increased by \$4,347,354.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Activities that the District operates similar to private business-food service.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the District are reported here.
Required financial statements	Statement of net position. Statement of activities.	Balance sheet. Statement of revenue, expenditures, and changes in fund balance.	Statement of net position. Statement of revenue, expenses, and changes in net position. Statement of cash flows.	Statement of net position. Statement of changes in net position.
Basis of accounting and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting economic resources focus.
Type of asset and liability information	All assets and liabilities; both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities; both financial and capital, short-term and long-term.	All assets and liabilities, financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; received during or soon after expenditures when goods or services have been received and the related liability are due and payable.	All revenue and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received and paid.

DISTRICT-WIDE STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

The District has three kinds of funds:

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- *Proprietary Funds* - These funds are used to account for the District's activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding is through user charges. When the District charges customers for services it provides - whether to outside customers or to other units in the District - these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows.
- *Fiduciary Funds* - The District serves as a trustee, or fiduciary, for a beneficial interest in a scholarship fund and an employee benefit trust. The assets of the fund and the trust belong to the participants and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2024 compared to June 30, 2025. The District's combined net position increased by \$4,347,354. Specific causes of the increase are discussed later in this document.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2025	2024	2025	2024	2025	2024	
Assets							
Current and other assets	\$ 53,177,059	\$ 56,819,229	\$ 903,538	\$ 960,071	\$ 54,080,597	\$ 57,779,300	-6.4%
Capital assets	97,208,920	63,917,942	92,654	104,984	\$ 97,301,574	\$ 64,022,926	52.0%
Total assets	\$ 150,385,979	\$ 120,737,171	\$ 996,192	\$ 1,065,055	\$ 151,382,171	\$ 121,802,226	24.3%
Deferred outflows of resources	\$ 11,723,525	\$ 16,276,569	\$ 209,590	\$ 509,521	\$ 11,933,115	\$ 16,786,090	-28.9%
Liabilities							
Long-term liabilities outstanding	\$ 94,908,179	\$ 64,961,266	\$ 151,721	\$ 91,107	\$ 95,059,900	\$ 65,052,373	46.1%
Other liabilities	7,636,175	10,023,820	83,785	68,883	7,719,960	10,092,703	-23.5%
Total liabilities	\$ 102,544,354	\$ 74,985,086	\$ 235,506	\$ 159,990	\$ 102,779,860	\$ 75,145,076	36.8%
Deferred inflows of resources	\$ 5,702,782	\$ 9,547,256	\$ 105,708	\$ 324,540	\$ 5,808,490	\$ 9,871,796	-41.2%
Net position:							
Net investment in capital assets	\$ 36,532,706	\$ 39,394,291	\$ 92,654	\$ 104,984	\$ 36,625,360	\$ 39,499,275	-7.3%
Restricted	10,564,549	6,182,663	771,914	985,062	11,336,463	7,167,725	58.2%
Unrestricted	6,765,113	6,904,444	-	-	6,765,113	6,904,444	-2.0%
Total net position	\$ 53,862,368	\$ 52,481,398	\$ 864,568	\$ 1,090,046	\$ 54,726,936	\$ 53,571,444	2.2%

Note: Totals may not add due to rounding.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2025	2024	2025	2024	2025	2024	
Revenue							
Program revenue							
Charges for services	\$ 297,056	\$ 351,537	\$ 881,751	\$ 831,304	\$ 1,178,807	\$ 1,182,841	-0.3%
Operating grants and contributions	4,256,841	6,154,954	895,223	956,060	5,152,064	7,111,014	-27.5%
Capital grants and contributions	-	115,000	-	-	-	115,000	
General revenue							
Property taxes	25,602,169	24,868,388	-	-	25,602,169	24,868,388	3.0%
State and federal aid	24,829,499	23,074,076	-	-	24,829,499	23,074,076	7.6%
Other	<u>1,885,693</u>	<u>2,978,400</u>	<u>31,824</u>	<u>28,378</u>	<u>1,917,517</u>	<u>3,006,778</u>	<u>-36.2%</u>
Total revenue	<u>56,871,258</u>	<u>57,542,355</u>	<u>1,808,798</u>	<u>1,815,742</u>	<u>58,680,056</u>	<u>59,358,097</u>	<u>-1.1%</u>
Expenses							
Instruction	28,082,628	26,314,652	-	-	28,082,628	26,314,652	6.7%
Pupil and instructional services	5,158,750	4,959,486	-	-	5,158,750	4,959,486	4.0%
Administration and business	10,615,891	10,979,872	1,971,333	1,730,316	12,587,224	12,710,188	-1.0%
Interest on debt	2,666,341	2,237,984	-	-	2,666,341	2,237,984	19.1%
Other	<u>5,837,759</u>	<u>3,723,801</u>	<u>-</u>	<u>-</u>	<u>5,837,759</u>	<u>3,723,801</u>	<u>56.8%</u>
Total expenses	<u>52,361,369</u>	<u>48,215,795</u>	<u>1,971,333</u>	<u>1,730,316</u>	<u>54,332,702</u>	<u>49,946,111</u>	<u>8.8%</u>
 Increase (decrease) in net position	 <u>\$ 4,509,889</u>	 <u>\$ 9,326,560</u>	 <u>\$ (162,535)</u>	 <u>\$ 85,426</u>	 <u>\$ 4,347,354</u>	 <u>\$ 9,411,986</u>	 <u>-53.8%</u>

Note: Totals may not add due to rounding.

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

The District relies primarily on state and federal aids (44%) and property taxes (45%) to fund governmental activities. These two funding sources make up 89 percent of the total revenue for governmental activities.

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

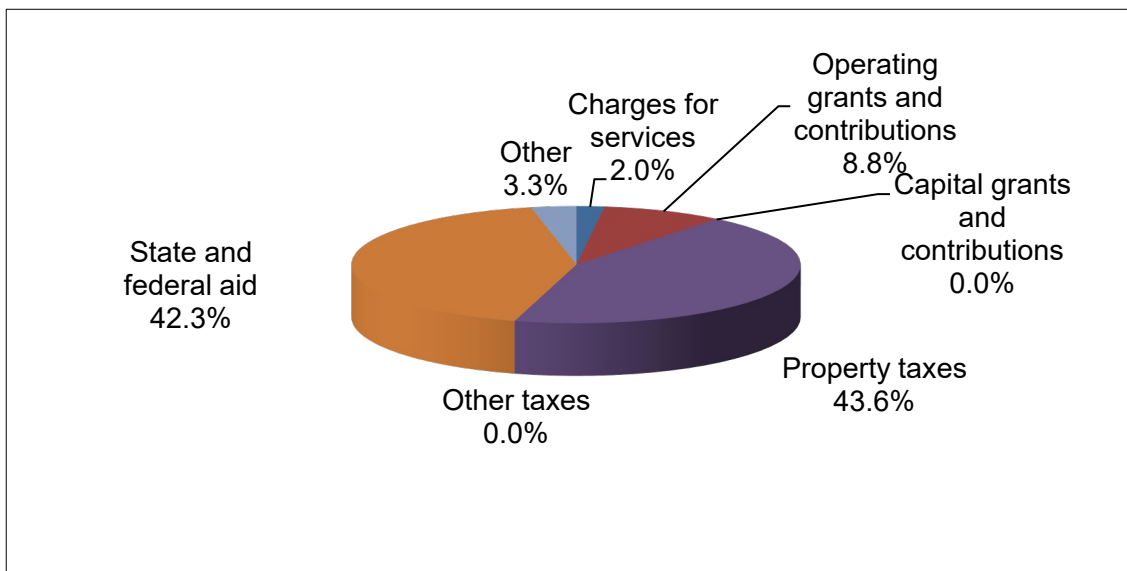
	Net Cost of Services		Total % Change
	2025	2024	
Instruction	\$ 23,879,954	\$ 21,894,478	9.1%
Pupil and instructional services	4,939,621	3,622,011	36.4%
Administration and business	10,525,581	7,406,568	42.1%
Interest on debt	2,666,341	2,175,305	22.6%
Other	5,990,334	6,438,894	-7.0%
Total	\$ 48,001,831	\$ 41,537,256	15.6%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$54,332,702. Individuals who directly participated or benefited from a program offering paid for \$1,178,807 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$5,153,383. The net cost of governmental activities, 48,000,512, was financed by general revenues of the District.

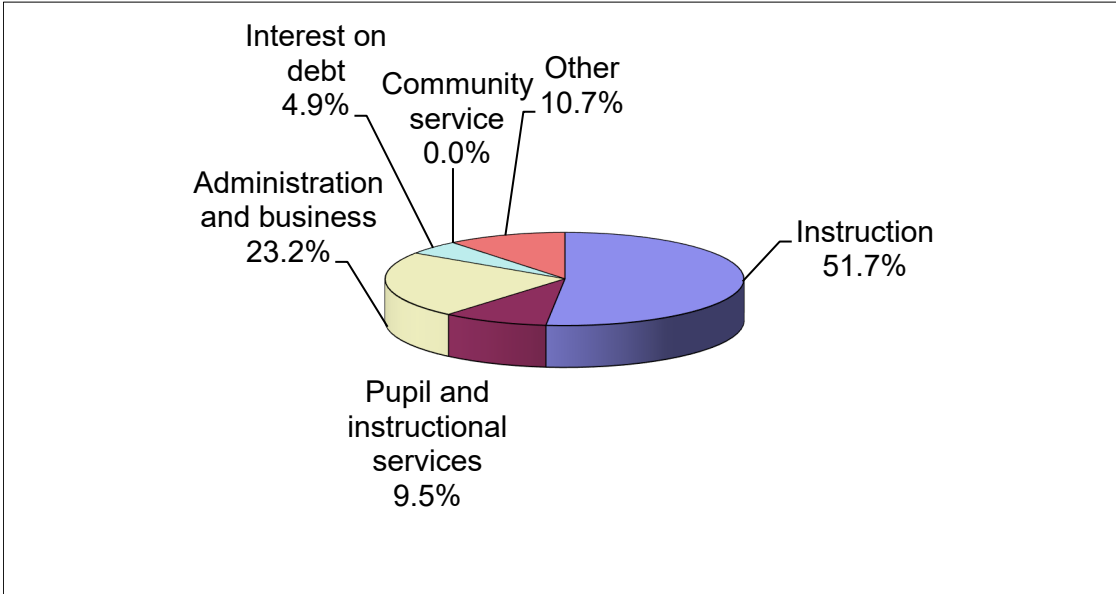
The composition of governmental revenues by type and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



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

Governmental Activities Expenditure by Type
Chart 2



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

The District completed the year with a total governmental fund balance of 46,263,413, down \$306,900 from last year's ending fund balance of \$46,570,313.

The change in fund balance is made up of increases in the general fund of \$915,963, the debt service fund of \$4,496,981, and nonmajor governmental funds of \$206,682, offset by a decrease in capital projects fund of \$5,926,526.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in June for the subsequent year. Consistent with current state statutes and regulations an original budget is adopted in October, following determination of official enrollment and certification of general state aids. Generally, the original budget modified to accommodate differences from the original budget to the actual expenditures.

While the District's final budget for the general fund anticipated that expenditures would exceed revenue by \$299,076, the actual results for the year show revenue exceeded expenditures by \$915,963.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District had invested 131,657,655 in capital assets, including land, land improvements, buildings, and equipment (See Table 4). Total accumulated depreciation and amortization on these assets is \$34,356,081. Asset acquisitions for governmental activities totaled 34,680,040 and for business-type activities totaled \$5,872. The District recognized depreciation and amortization expense of 1,382,277 for governmental activities and \$18,202 for business-type activities. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2025	2024	2025	2024	2025	2024	
Land	\$ 2,340,608	\$ 2,340,608	\$ -	\$ -	\$ 2,340,608	\$ 2,340,608	0.0%
Land improvements	2,507,418	2,377,026	-	-	\$ 2,507,418	\$ 2,377,026	5.5%
Buildings	64,971,349	63,671,368	-	-	\$ 64,971,349	\$ 63,671,368	2.0%
Equipment	5,083,466	4,475,786	594,762	588,890	\$ 5,678,228	\$ 5,064,676	12.1%
Construction in progress	56,160,052	23,525,400	-	-	\$ 56,160,052	\$ 23,525,400	138.7%
Accumulated depreciation and amortization	(33,853,973)	(32,472,246)	(502,108)	(483,906)	\$ (34,356,081)	\$ (32,956,152)	4.2%
Total	<u>\$ 97,208,920</u>	<u>\$ 63,917,942</u>	<u>\$ 92,654</u>	<u>\$ 104,984</u>	<u>\$ 97,301,574</u>	<u>\$ 64,022,926</u>	52.0%

Note: Totals may not add due to rounding.

Long-Term Obligations

At year-end, the District had \$81,766,000 in general obligation debt outstanding resulting in an increase of 41 percent from last year (see Table 5). Detailed information about the District's long-term obligations are presented in Note 4 to the financial statements.

	Total		% Change
	2025	2024	
General obligation debt	\$ 81,766,000	\$ 57,990,000	41.0%
Other	13,142,179	11,354,748	15.7%
Total	<u>\$ 94,908,179</u>	<u>\$ 69,344,748</u>	36.9%

Note: Totals may not add due to rounding.

Long-Term Obligations - Continued

The District issued \$25,000,000 and retired \$1,254,563 of bonds and notes payable during the year.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

For Wisconsin public K- 12 schools, the amount of revenue that each district can raise through local property taxes is controlled at the state level via a mechanism called Revenue Limits. There are three primary factors that impact each district's Revenue Limit - student membership, the yearly per student funding increase allowed by the legislature, and the district's prior year base revenue.

The School District of Onalaska, like 71% of Wisconsin schools, is a declining enrollment district. Given Wisconsin's school funding formula, declining enrollment makes sustainable funding challenging. When enrollment declines, it does not fall in one classroom, one grade level, or even in one school. Schools are a service business, and staffing is the largest expenditure item. Reducing staffing costs on an annual basis is difficult; it takes multiple years for the impact of declining enrollment to lead to staffing reductions.

The School District of Onalaska has relied on a couple of tools to help address the funding challenge - open enrollment and operating referendums. The State of Wisconsin has an open enrollment law that allows students to attend a Wisconsin public school of their choice with few restrictions. The State adjusts each District's general aid based on the net number of students who transfer. The School District of Onalaska strives to keep resident students and to entice non-resident students through open enrollment. The number of incoming non-resident open enrollment students attending the District continues to considerably exceed the number of outgoing resident students who attend other districts.

The District will continue to monitor enrollment trends. The most recent University of Wisconsin - Madison Applied Population Lab enrollment study projected steady to slightly decreasing enrollment. The District has had steady decreasing enrollment since 2019-20. Like other districts across the state, Onalaska is also experiencing more students participating in the Wisconsin school voucher program. There is an impact of fewer students being served in the District's schools and increased voucher costs levied by the District. The funds are transferred to the participating voucher school the student attends through a reduction in the resident school district's Equalization Aid.

The District has relied on operational referendum funding since 2006. Referendums were passed in 2006, 2011, 2014, 2018, and 2022. The operating referendum amount has supplemented the Revenue Limit for school each year from 2006 through 2028. The 2022 referendum will provide an incrementing amount (to allow for some inflationary cost increases) each year up to \$5.4M in 2027-28, at which time the referendum expires. The intention will be to renew the expiring referendum. District voters also approved a \$75 million capital project referendum in November 2022. The funds were used to significantly renovate and expand the Onalaska Middle School (approximately \$50M) and provide minor expansion and renovation of the Onalaska High School (approximately \$25M). Open enrollment, operating referendums, and capital referendums have all been pivotal to plan for future District finances.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Janet Rosseter, Director of Finance and Business Services, rosseter.janet@onalaskaschools.com, Phone: 608-781-9700, Mail: School District of Onalaska, 237 2nd Avenue South, Onalaska, WI 54650.

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

DISTRICT-WIDE FINANCIAL STATEMENTS

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF NET POSITION
JUNE 30, 2025

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTALS</u>
ASSETS			
Cash and investments	\$ 44,457,037	\$ 859,791	\$ 45,316,828
Receivables			
Accounts	3,973	2,666	6,639
Taxes	7,755,501	-	7,755,501
Notes	250,000	-	250,000
Internal balances	(13,871)	(6,060)	(19,931)
Due from other governments	669,393	27,023	696,416
Inventories	-	19,825	19,825
Prepays	55,026	293	55,319
Capital assets (net of accumulated depreciation and amortization)			-
Capital assets not being depreciated	58,500,660	-	58,500,660
Capital assets being depreciated	38,275,032	92,654	38,367,686
SBITA assets being amortized	433,228	-	433,228
TOTAL ASSETS	150,385,979	996,192	151,382,171
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System pension	10,493,000	197,390	10,690,390
OPEB healthcare	1,230,525	12,200	1,242,725
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,723,525	209,590	11,933,115
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 162,109,504	\$ 1,205,782	\$ 163,315,286
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Accounts payable	\$ 1,909,973	\$ 13,475	\$ 1,923,448
Self insurance claims payable	81,969	-	81,969
Accrued liabilities			
Payroll, payroll taxes, insurance	4,660,120	19,838	4,679,958
Interest	972,529	-	972,529
Due to other governments	11,476	-	11,476
Deposits payable	108	-	108
Unearned revenue	-	50,472	50,472
Current portion of long-term obligations	8,092,343	22,676	8,115,019
Noncurrent portion of long-term obligations	86,815,836	129,045	86,944,881
TOTAL LIABILITIES	102,544,354	235,506	102,779,860
DEFERRED INFLOWS OF RESOURCES			
Wisconsin Retirement System pension	5,526,330	103,959	5,630,289
OPEB healthcare	176,452	1,749	178,201
TOTAL DEFERRED INFLOWS OF RESOURCES	5,702,782	105,708	5,808,490
NET POSITION			
Net investment in capital assets	36,532,706	92,654	36,625,360
Restricted for			
Special revenue	654,745	-	654,745
Debt service	5,529,327	-	5,529,327
Capital projects	3,997,438	-	3,997,438
Other activities	383,039	771,914	1,154,953
Unrestricted	6,765,113	-	6,765,113
TOTAL NET POSITION	53,862,368	864,568	54,726,936
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 162,109,504	\$ 1,205,782	\$ 163,315,286

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET REVENUE (EXPENSES) AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
GOVERNMENTAL ACTIVITIES						
Instruction						
Regular instruction	18,364,649	86,577	415,144	(17,862,928)	-	(17,862,928)
Vocational instruction	1,029,899	3,715	23,192	(1,002,992)	-	(1,002,992)
Special instruction	5,969,876	-	3,019,986	(2,949,890)	-	(2,949,890)
Other instruction	2,718,204	158,719	495,341	(2,064,144)	-	(2,064,144)
Total instruction	<u>28,082,628</u>	<u>249,011</u>	<u>3,953,663</u>	<u>(23,879,954)</u>	<u>-</u>	<u>(23,879,954)</u>
Support services						
Pupil services	2,309,662	-	-	(2,309,662)	-	(2,309,662)
Instructional staff services	2,849,088	-	219,129	(2,629,959)	-	(2,629,959)
General administration services	896,196	-	12,190	(884,006)	-	(884,006)
Building administration services	2,042,973	-	-	(2,042,973)	-	(2,042,973)
Business services	7,129,315	48,045	30,075	(7,051,195)	-	(7,051,195)
Central services	207,543	-	-	(207,543)	-	(207,543)
Insurance	339,864	-	-	(339,864)	-	(339,864)
Interest and other	2,666,341	-	-	(2,666,341)	-	(2,666,341)
Other support services	955,224	-	-	(955,224)	-	(955,224)
Unallocated depreciation	1,017,653	-	-	(1,017,653)	-	(1,017,653)
Community services	66,569	-	-	(66,569)	-	(66,569)
Total support services	<u>20,480,428</u>	<u>48,045</u>	<u>261,394</u>	<u>(20,170,989)</u>	<u>-</u>	<u>(20,170,989)</u>
Non-program transactions	3,798,313	-	41,784	(3,756,529)	-	(3,756,529)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 52,361,369</u>	<u>\$ 297,056</u>	<u>\$ 4,256,841</u>	<u>(47,807,472)</u>	<u>-</u>	<u>(47,807,472)</u>
BUSINESS-TYPE ACTIVITIES						
Food service	1,971,333	881,751	895,223	-	(194,359)	(194,359)
TOTAL PRIMARY GOVERNMENT	<u>\$ 54,332,702</u>	<u>\$ 1,178,807</u>	<u>\$ 5,152,064</u>	<u>\$ (47,807,472)</u>	<u>\$ (194,359)</u>	<u>\$ (48,001,831)</u>
GENERAL REVENUE						
Taxes						
Property taxes				25,602,169	-	25,602,169
State and federal aids not restricted to specific functions				24,829,499	-	24,829,499
Interest and investment earnings				1,736,628	31,824	1,768,452
Miscellaneous				149,065	-	149,065
TOTAL GENERAL REVENUE				<u>52,317,361</u>	<u>31,824</u>	<u>52,349,185</u>
CHANGE IN NET POSITION				4,509,889	(162,535)	4,347,354
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED				52,481,398	1,090,046	53,571,444
CHANGE IN ACCOUNTING PRINCIPLE				(3,128,919)	(62,943)	(3,191,862)
NET POSITION - BEGINNING OF YEAR, AS RESTATED				<u>49,352,479</u>	<u>1,027,103</u>	<u>50,379,582</u>
NET POSITION - END OF YEAR				<u>\$ 53,862,368</u>	<u>\$ 864,568</u>	<u>\$ 54,726,936</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

FUND FINANCIAL STATEMENTS

SCHOOL DISTRICT OF ONALASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE REFERENDUM APPROVED</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 9,796,188	\$ 5,529,327	\$ 27,354,400	\$ 1,777,122	\$ 44,457,037
Receivables					
Accounts	3,973	-	-	-	3,973
Taxes	7,755,501	-	-	-	7,755,501
Due from other funds	752,505	-	-	-	752,505
Due from other governments	669,393	-	-	-	669,393
Prepays	45,881	-	-	9,145	55,026
TOTAL ASSETS	<u>\$ 19,023,441</u>	<u>\$ 5,529,327</u>	<u>\$ 27,354,400</u>	<u>\$ 1,786,267</u>	<u>\$ 53,693,435</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ 165,050	\$ -	\$ 1,717,530	\$ 27,393	\$ 1,909,973
Self insurance claims payable	81,969	-	-	-	81,969
Accrued payroll liabilities	4,660,111	-	-	9	4,660,120
Due to other funds	766,376	-	-	-	766,376
Due to other governments	11,476	-	-	-	11,476
Deposits payable	108	-	-	-	108
TOTAL LIABILITIES	<u>5,685,090</u>	<u>-</u>	<u>1,717,530</u>	<u>27,402</u>	<u>7,430,022</u>
 FUND BALANCES					
Nonspendable	45,881	-	-	9,145	55,026
Restricted	383,039	5,529,327	25,636,870	1,749,720	33,298,956
Assigned	999,830	-	-	-	999,830
Unassigned	11,909,601	-	-	-	11,909,601
TOTAL FUND BALANCES	<u>13,338,351</u>	<u>5,529,327</u>	<u>25,636,870</u>	<u>1,758,865</u>	<u>46,263,413</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,023,441</u>	<u>\$ 5,529,327</u>	<u>\$ 27,354,400</u>	<u>\$ 1,786,267</u>	

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

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

Governmental capital assets	\$ 131,062,893	
Governmental accumulated depreciation and amortization	<u>(33,853,973)</u>	97,208,920

Wisconsin Retirement System deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements: 4,966,670

Other post employment benefits deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements: 1,054,073

Long-term notes receivable are not current financial resources and therefore not reported in the fund statements: 250,000

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

General obligation debt	\$ (81,832,484)	
Bond premium	(2,673,112)	
Accrued interest	(972,529)	
WRS liability	(1,893,719)	
Vested employee benefits	(3,729,706)	
Net OPEB obligation	<u>(4,779,158)</u>	<u>(95,880,708)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 53,862,368**

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	GENERAL FUND	DEBT SERVICE REFERENDUM APPROVED	CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE					
Property taxes	\$ 19,350,169	\$ 6,085,000	\$ -	\$ 167,000	\$ 25,602,169
Other local sources	636,320	108,274	2,984,538	657,745	4,386,877
Interdistrict sources	4,811,765	-	-	36,199	4,847,964
Intermediate sources	17,768	-	-	-	17,768
State sources	21,828,715	-	-	-	21,828,715
Federal sources	1,744,249	-	-	-	1,744,249
Other sources	149,507	-	-	45,794	195,301
TOTAL REVENUE	<u>48,538,493</u>	<u>6,193,274</u>	<u>2,984,538</u>	<u>906,738</u>	<u>58,623,043</u>
EXPENDITURES					
Current					
Instruction					
Regular instruction	17,942,971	-	4,733	89,780	18,037,484
Vocational instruction	1,019,949	-	-	5,926	1,025,875
Special instruction	5,821,502	-	-	-	5,821,502
Other instruction	2,154,739	-	-	506,866	2,661,605
Total Instruction	<u>26,939,161</u>	<u>-</u>	<u>4,733</u>	<u>602,572</u>	<u>27,546,466</u>
Support services					
Pupil services	2,268,697	-	-	140	2,268,837
Instructional staff services	2,789,405	-	-	5,420	2,794,825
General administration services	858,733	-	-	21,627	880,360
Building administration services	1,991,551	-	-	-	1,991,551
Business services	6,500,383	-	367,629	155,684	7,023,696
Central services	207,333	-	-	370	207,703
Insurance	339,864	-	-	-	339,864
Other support services	1,092,622	-	-	-	1,092,622
Community services	-	-	-	49,831	49,831
Total Support Services	<u>16,048,588</u>	<u>-</u>	<u>367,629</u>	<u>233,072</u>	<u>16,649,289</u>
Non-program transactions	3,777,563	-	-	20,750	3,798,313
Debt Service					
Principal	30,563	1,224,000	-	-	1,254,563
Interest	4,647	2,081,363	-	-	2,086,010
Other	-	224,545	-	-	224,545
Total Debt Service	<u>35,210</u>	<u>3,529,908</u>	<u>-</u>	<u>-</u>	<u>3,565,118</u>
Capital Outlay	657,725	-	33,538,702	12,945	34,209,372
TOTAL EXPENDITURES	<u>47,458,247</u>	<u>3,529,908</u>	<u>33,911,064</u>	<u>869,339</u>	<u>85,768,558</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES					
	<u>1,080,246</u>	<u>2,663,366</u>	<u>(30,926,526)</u>	<u>37,399</u>	<u>(27,145,515)</u>
OTHER FINANCING SOURCES (USES)					
Net transfer from (to) other funds	(169,283)	-	-	169,283	-
Sale of capital assets	5,000	-	-	-	5,000
Issuance of long-term debt	-	-	25,000,000	-	25,000,000
Premium on debt issued	-	1,833,615	-	-	1,833,615
TOTAL OTHER FINANCING SOURCES (USES)	<u>(164,283)</u>	<u>1,833,615</u>	<u>25,000,000</u>	<u>169,283</u>	<u>26,838,615</u>
NET CHANGE IN FUND BALANCE	915,963	4,496,981	(5,926,526)	206,682	(306,900)
FUND BALANCE - BEGINNING OF YEAR	12,422,388	1,032,346	31,563,396	1,552,183	46,570,313
FUND BALANCE - END OF YEAR	<u>\$ 13,338,351</u>	<u>5,529,327</u>	<u>25,636,870</u>	<u>\$ 1,758,865</u>	<u>\$ 46,263,413</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds \$ (306,900)

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

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

Capital outlay reported in fund statements	\$ 34,209,372	
Subscription-based IT arrangements reported in fund statements	470,668	
Depreciation expense reported in the statement of activities	(1,344,837)	
Amortization expense reported in the statement of activities	(37,440)	
Net book value of capital assets disposed	<u>(6,785)</u>	
Amount by which capital outlays are more than depreciation, amortization, and the net book value of capital assets disposed in the current period:		33,290,978

The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability. (25,000,000)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.
This year the accrual of these benefits increased by: (328,247)

Wisconsin Retirement System asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (759,553)

OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes: 298,449

Donations are reported in the governmental fund statements when they are current financial resources. For governmental activities, those donations are shown in the statement of net activities when the donation is pledged.

Collection on long-term receivable	(1,750,000)
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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.

Amount of long-term debt principal payments in the current year is:	1,254,563
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Governmental funds report the effect of debt discounts and premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

The net effect of these differences in the current year:	(1,737,213)
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In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.

Amount of interest and other debt costs paid during the current period is	\$ 2,310,555	
Amount of interest and other debt costs accrued during the current period is	<u>(2,762,743)</u>	
Interest paid is less than interest accrued by:		<u>(452,188)</u>

CHANGE IN NET POSITION - GOVERNMENT ACTIVITIES \$ 4,509,889

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>FOOD SERVICE</u>
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 859,791
Accounts receivable	2,666
Due from other funds	1,536
Due from other governments	27,023
Inventories	19,825
Prepays	293
TOTAL CURRENT ASSETS	911,134
NONCURRENT ASSETS	
CAPITAL ASSETS	
Equipment	594,762
Less accumulated depreciation	(502,108)
NET CAPITAL ASSETS	92,654
TOTAL ASSETS	1,003,788
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	197,390
OPEB healthcare	12,200
TOTAL DEFERRED OUTFLOWS OF RESOURCES	209,590
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,213,378
 <u>LIABILITIES, DEFERRED INFLOWS OR RESOURCES, AND NET POSITION</u>	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 13,475
Payroll liabilities	19,838
Due to other funds	7,596
Unearned revenue	50,472
Current portion of long term obligations	22,676
TOTAL CURRENT LIABILITIES	114,057
NONCURRENT LIABILITIES	
Long-term obligations	129,045
TOTAL LIABILITIES	243,102
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	103,959
OPEB healthcare	1,749
TOTAL DEFERRED INFLOWS OF RESOURCES	105,708
NET POSITION	
Net investment in capital assets	92,654
Restricted for food service	771,914
TOTAL NET POSITION	864,568
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 1,213,378

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	FOOD SERVICE
OPERATING REVENUE	
Food sales	\$ 913,575
State sources	21,002
Federal sources	874,221
TOTAL OPERATING REVENUE	1,808,798
OPERATING EXPENSES	
Salaries and wages	666,580
Employee benefits	241,109
Purchased services	66,003
Supplies, food, and materials	979,439
Depreciation	18,202
TOTAL OPERATING EXPENSES	1,971,333
CHANGE IN NET POSITION	(162,535)
NET POSITION - BEGINNING OF YEAR	1,090,046
CHANGE IN ACCOUNTING PRINCIPLE	(62,943)
NET POSITION - END OF YEAR	\$ 864,568

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	FOOD SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sales of food	\$ 910,909
Cash received from other government payments	888,517
Cash received from other operating activities	2,066
Cash payments to employees for services	(664,607)
Cash payments for employer paid benefits	(140,115)
Cash payments for purchased services	(66,003)
Cash payments to suppliers for goods and services	(989,393)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(58,626)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property, plant, and equipment	(5,872)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(64,498)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	924,289
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 859,791
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ (162,535)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities	
Depreciation	18,202
Changes in assets and liabilities	
Decrease (increase) in assets	
Receivables	(2,666)
Due from other funds	(396)
Due from other governments	(6,706)
Inventories	(4,360)
Decrease in prepaid expenses	(293)
Wisconsin Retirement System net pension	18,148
Deferred outflows and inflows WRS pension	82,846
Increase (decrease) in liabilities	
Accounts payable	(5,301)
Other accrued expenses	1,973
Due to other funds	1,013
Unearned revenue	1,449
Total adjustments	103,909
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (58,626)

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

<u>ASSETS</u>	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>	<u>TOTAL</u>
Cash and investments	\$ -	\$ 2,821,640	\$ 2,821,640
Beneficial interest in trust	624,590	-	624,590
Due from other funds	-	773,972	773,972
TOTAL ASSETS	<u>\$ 624,590</u>	<u>\$ 3,595,612</u>	<u>\$ 4,220,202</u>
LIABILITIES			
Due to other funds	-	754,041	754,041
NET POSITION			
Restricted for			
Postemployment benefits other than pensions	-	2,841,571	2,841,571
Individuals and organizations	624,590	-	624,590
TOTAL NET POSITION	<u>624,590</u>	<u>2,841,571</u>	<u>3,466,161</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 624,590</u>	<u>\$ 3,595,612</u>	<u>\$ 4,220,202</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>	<u>TOTAL</u>
ADDITIONS			
Investment income	\$ 40,920	\$ 47,574	\$ 88,494
Contributions	<u>-</u>	<u>773,972</u>	<u>773,972</u>
TOTAL ADDITIONS	\$ 40,920	\$ 821,546	\$ 862,466
DEDUCTIONS			
Disbursements	<u>-</u>	<u>754,042</u>	<u>754,042</u>
CHANGE IN NET POSITION	40,920	67,504	108,424
NET POSITION - BEGINNING OF YEAR	<u>583,670</u>	<u>2,774,067</u>	<u>3,357,737</u>
NET POSITION - END OF YEAR	<u>\$ 624,590</u>	<u>\$ 2,841,571</u>	<u>\$ 3,466,161</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

NOTES TO THE BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

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

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

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

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

Basis of Presentation

District-Wide Statements

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

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

Fund Financial Statements

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

The District reports the following major governmental funds:

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

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Funds - are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District operates one proprietary fund, the Food Service Fund. This fund accounts for the activities of the District's food service programs.

The District has two fiduciary funds which account for assets held as an agent for a beneficiary interest in a scholarship fund and an employee benefit trust.

Measurement Focus and Basis of Accounting

The district-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is 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.

The proprietary funds distinguish *operating* revenue and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Food Service Fund are charges for nutritional services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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 revenue. 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 revenue.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

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

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

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

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

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

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amount due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30. A nonspendable fund balance has been recognized for these prepaid items to signify a portion of fund balance is not available for other subsequent expenditures.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$5,000	Straight-line	20-50 years
Land improvements	\$5,000	Straight-line	20-50 years
Furniture and equipment	\$5,000	Straight-line	5-20 years

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

Debt Premiums - In the government-wide financial statements, debt premiums are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premiums.

In the fund financial statements, premiums are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources.

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

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

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

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. They are the Wisconsin Retirement System Pension and OPEB Healthcare that result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

Defined Contribution Plan - The district contributes annually to a 403(b) retirement plan for eligible employees. Administrators receive \$2,000 per year (up to 20 years); teachers and mid-level managers receive \$1,200 per year (up to 25 years). Contributions are initially held in an investment account and transferred to a 403(b) of the employee's choice after five years of continuous service. Future contributions are made directly to the select accounts. The Plan is administered in accordance with IRS regulations.

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

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

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

When net losses occur, it is the District’s policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Change in Accounting Principle - As discussed in Note 13, the District has implemented GASB Statement No. 101, Compensated Absences in 2025.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

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

<u>INVESTMENT</u>	<u>WEIGHTED AVERAGE MATURITY</u>	<u>FAIR VALUE</u>
State of Wisconsin Investment Pool	Less than one year	\$ 15,655,378
Trust - AUL Fixed Interest Account	Less than one year	2,821,640
Certificates of Deposit	More than one year	37,681
Wisconsin Investment Series Cooperative pooled funds	Less than one year	<u>25,063,920</u>
		<u>\$ 43,578,619</u>

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

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

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool’s investment board based on published market quotations (level 2 inputs).
- 2) Wisconsin Investment Cooperative pooled funds fair value is based on determinations by pool management based on published market quotations (level 2 input).
- 3) Trust - AUL Fixed Interest Accounts is a non-participating investment contract and is measured at contract value.
- 4) Certificates of Deposit are measured at cost.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 2 - Cash and Investments - Continued

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

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

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy further limits its investment choices as follows:

- 1) U.S. Treasury obligations.
- 2) Certificates of deposit with maturities of two years or less in financial institutions which are financially secure and deposits are insured by the FDIC and/or the State Deposit Guarantee Fund.
- 3) Wisconsin Investment Series Cooperative.
- 4) Local Government Pooled Investment Fund.

The State of Wisconsin Local Government Investment Pool is not rated. The Wisconsin Investment Series Cooperative Pooled Fund is rated AAAM by Standards & Poor's. The AUL Fixed Investment Account is rated A+ (Superior) by AM Best.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District's investment policy requires that deposits shall be limited to the lesser of amounts guaranteed by FDIC and the State Deposit Guarantee Fund unless overnight funds in excess are fully collateralized by collateral. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2025, none of the District's bank balance of \$4,860,040 (including certificates of deposit) was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by U.S. Government securities held by the bank in the District's name. The District's investments are not subject to custodial credit risk.

NOTE 3 - Note Receivable

A local non-profit organization has committed \$3,000,000 to be used for the renovation and construction project to build a designated space to be used for an after school and summer program at the school. The organization will pay the District \$3,000,000. The District received \$2,750,000 in the previous and current fiscal years and the balance owed at June 30, 2025 was \$250,000. The balance is payable to the District in fiscal year 2026.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 4 - Capital Assets

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

	<u>BALANCE</u> <u>07/01/24</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>TRANSFERS</u>	<u>BALANCE</u> <u>06/30/25</u>
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated:					
Land	\$ 2,340,608	\$ -	\$ -	\$ -	\$ 2,340,608
Construction in progress	<u>23,525,400</u>	<u>33,832,891</u>	<u>-</u>	<u>(1,198,239)</u>	<u>56,160,052</u>
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>25,866,008</u>	<u>33,832,891</u>	<u>-</u>	<u>(1,198,239)</u>	<u>58,500,660</u>
Capital assets being depreciated:					
Land improvements	2,377,026	85,022	-	45,370	2,507,418
Buildings and improvements	63,671,368	154,447	(7,335)	1,152,869	64,971,349
Equipment	<u>4,475,786</u>	<u>137,012</u>	<u>-</u>	<u>-</u>	<u>4,612,798</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>70,524,180</u>	<u>376,481</u>	<u>(7,335)</u>	<u>1,198,239</u>	<u>72,091,565</u>
Less accumulated depreciation for:					
Land improvements	(1,705,347)	(57,465)	-	-	(1,762,812)
Buildings and improvements	(27,647,511)	(1,040,792)	550	-	(28,687,753)
Equipment	<u>(3,119,388)</u>	<u>(246,580)</u>	<u>-</u>	<u>-</u>	<u>(3,365,968)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(32,472,246)</u>	<u>(1,344,837)</u>	<u>550</u>	<u>-</u>	<u>(33,816,533)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION	<u>38,051,934</u>	<u>(968,356)</u>	<u>(6,785)</u>	<u>1,198,239</u>	<u>38,275,032</u>
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$63,917,942</u>	<u>\$32,864,535</u>	<u>\$ (6,785)</u>	<u>\$ -</u>	<u>\$96,775,692</u>

Depreciation expense was charged to governmental functions as follows:

Special education instruction	\$ 300
Other instruction	1,243
Business services	325,641
Unallocated	<u>1,017,653</u>
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	<u>\$ 1,344,837</u>

	<u>BEGINNING</u> <u>BALANCE</u>	<u>ADDITIONS</u>	<u>DISPOSITIONS</u>	<u>ENDING</u> <u>BALANCE</u>
GOVERNMENTAL ACTIVITIES				
Capital assets being amortized:				
SBITA asset	\$ -	\$ 470,668	\$ -	\$ 470,668
Accumulated amortization	<u>-</u>	<u>(37,440)</u>	<u>-</u>	<u>(37,440)</u>
CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION	<u>\$ -</u>	<u>\$ 433,228</u>	<u>\$ -</u>	<u>\$ 433,228</u>

Amortization expense was charged to governmental activities functions as follows:

Business services	<u>\$ 37,440</u>
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	<u>BEGINNING</u> <u>BALANCE</u>	<u>ADDITIONS</u>	<u>DISPOSITIONS</u>	<u>ENDING</u> <u>BALANCE</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated	\$ 588,890	\$ 5,872	\$ -	\$ 594,762
Less accumulated depreciation	<u>(483,906)</u>	<u>(18,202)</u>	<u>-</u>	<u>(502,108)</u>
TOTAL CAPITAL ASSETS	<u>\$ 104,984</u>	<u>\$ (12,330)</u>	<u>\$ -</u>	<u>\$ 92,654</u>

Depreciation expense was charged to business-type activities functions as follows:

Food service	<u>\$ 18,202</u>
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SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Long-Term Obligations

Long-term obligations are as follows:

	<u>BALANCE</u> <u>7/1/24</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>6/30/25</u>	<u>AMOUNT DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
Bonds payable	\$57,990,000	\$ 25,000,000	\$ (1,224,000)	\$ 81,766,000	\$ 6,620,000
Financed purchases	97,047	-	(30,563)	66,484	32,315
Premium	935,899	1,833,615	(96,402)	2,673,112	157,750
Compensated absences	3,401,459	328,247	-	3,729,706	1,282,278
Wisconsin Retirement System					
Net pension liability	1,782,395	111,324	-	1,893,719	-
OPEB healthcare	<u>5,137,948</u>	-	<u>(358,790)</u>	<u>4,779,158</u>	-
	<u>\$69,344,748</u>	<u>\$ 27,273,186</u>	<u>\$ (1,709,755)</u>	<u>\$ 94,908,179</u>	<u>\$ 8,092,343</u>
<u>BUSINESS ACTIVITIES:</u>					
Compensated absences	\$ 62,943	\$ 5,773	\$ -	\$ 68,716	\$ 22,676
Wisconsin Retirement System					
Net pension liability	26,324	9,300	-	35,624	-
OPEB healthcare	<u>42,559</u>	<u>4,822</u>	-	<u>47,381</u>	-
	<u>\$ 131,826</u>	<u>\$ 19,895</u>	<u>\$ -</u>	<u>\$ 151,721</u>	<u>\$ 22,676</u>

Compensated absences are reported as a net change. Interest cost incurred during the year totaled \$2,441,796 and total interest paid during the year aggregated \$2,086,010.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2025 is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE</u> <u>DATE</u>	<u>INTEREST</u> <u>RATE %</u>	<u>DATE OF</u> <u>MATURITY</u>	<u>BALANCE</u> <u>6/30/25</u>
2013 GO bonds	01/30/13	2.00 - 2.50%	04/01/2026	\$ 690,000
2021 GO bonds	03/22/21	2.30%	04/01/2035	12,921,000
2023 Refunding bonds	03/22/23	4.00 - 5.00%	04/01/2043	43,155,000
2025 GO bonds	02/18/25	4.00 - 5.00%	04/01/2043	<u>25,000,000</u>
TOTAL GENERAL OBLIGATION DEBT				<u>\$ 81,766,000</u>

General Obligation Debt Limit Calculation - The 2025 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,145,986,175. 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:

Debt limit (10% of \$3,145,986,175)	\$ 314,598,618
Deduct long-term debt applicable to debt margin	(81,766,000)
Amount available in debt service fund	<u>5,529,327</u>
MARGIN OF INDEBTEDNESS	<u>\$ 238,361,945</u>

Financed Purchase - The District finances the purchase of various pieces of equipment summarized as follows:

<u>DESCRIPTION</u>	<u>ACQUISITION</u> <u>DATE</u>	<u>INTEREST</u> <u>RATE %</u>	<u>DATE OF</u> <u>MATURITY</u>	<u>BALANCE</u> <u>6/30/25</u>
Copiers	07/01/2022	5.59%	06/30/2027	<u>\$ 66,484</u>

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 5 - Long-Term Obligations - Continued

Maturities of General Obligation Debt - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

<u>YEARS</u>	<u>BONDS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 6,620,000	\$ 3,437,109
2027	3,171,000	2,993,820
2028	3,289,000	2,875,847
2029	3,418,000	2,752,705
2030	3,547,000	2,623,877
2031-2035	19,946,000	10,973,729
2036-2040	24,515,000	6,524,100
2041-2043	17,260,000	1,399,200
TOTAL	<u>\$ 81,766,000</u>	<u>\$33,580,387</u>

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

<u>YEARS</u>	<u>FINANCED PURCHASES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 32,315	\$ 2,895
2027	34,169	1,043
TOTAL	<u>\$ 66,484</u>	<u>\$ 3,938</u>

NOTE 6 - Wisconsin Retirement System

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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 6 - Wisconsin Retirement System - Continued

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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 \$1,762,660 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 6 - Wisconsin Retirement System - Continued

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

At June 30, 2025, the District reported a liability (asset) of \$1,929,343 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the Net Pension Liability (Asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.11741627 percent, which was a decrease of 0.00423504 percent from its proportion measured as of December 31, 2023. For the year ended June 30, 2025, the District recognized pension expense of \$2,616,630.

At June 30, 2025, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,991,667	\$5,630,288
Net differences between projected and actual earnings on pension plan investments	2,931,740	-
Changes in assumptions	572,473	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	56,154	-
Employer contributions subsequent to the measurement date	1,138,355	-
Total	\$10,690,389	\$5,630,288

\$1,138,355 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year ended June 30:	Deferred Outflows/ (Inflows) of Resources
2026	\$ 1,187,933
2027	4,017,680
2028	(980,179)
2029	(303,688)

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 6 - Wisconsin Retirement System - Continued

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

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

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

Asset Allocation Targets and Expected Returns (as of December 31, 2024)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
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	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

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

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

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 6 - Wisconsin Retirement System - Continued

Single Discount Rate - A single discount rate of 6.8 percent 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 percent and a municipal bond rate of 4.08 percent (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 bond's 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 percent expected rate of return implies that a dividend of approximately 1.7 percent 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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
School District of Onalaska's proportionate share of the Net Pension Liability (Asset)	\$18,099,762	\$1,929,343	(\$9,559,275)

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

Payable to the Pension Plan

At June 30, 2025, the District reported a payable of \$521,351 or the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

NOTE 7 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other Than Pensions

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

Benefits Provided - Administrators are eligible when at least age 55 with 15 years of service in the District and age plus years of service equal at least 75. Those hired prior to July 1, 2007, and meeting eligibility requirements after August 26, 2012, may choose one of the following options:

- Maximum annual contributions of \$7,080 for those with single coverage and \$14,790 for those with family coverage. These HRA contributions will be made until the earlier of 8 years, Medicare-eligibility or death.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 7 - Post Employment Benefits Other Than Pensions - Continued

An amount equal to \$4,000 per year of service completed prior to July 1, 2012 and \$3,500 per year of service thereafter, up to a maximum of 35 years. Total amount will be divided equally over a 60-month period and contributed into an HRA on behalf of the retiree. These contributions will be made until the earlier of 60 months or death.

Teachers are eligible when at least age 55 with 15 years of service in the District and age plus years of service equal at least 75. Those hired prior to July 1, 2007, and meeting eligibility requirements after August 26, 2012, may choose one of the following options:

- Maximum annual contributions of \$7,080 for those with single coverage and \$14,790 for those with family coverage. These HRA contributions will be made until the earlier of eight years, Medicare-eligibility or death.
- An amount equal to \$4,000 per year of service completed prior to July 1, 2012, and \$3,500 per year of service thereafter, up to a maximum of 35 years. Total amount will be divided equally over an 84-month period and contributed into an HRA on behalf of the retiree. These contributions will be made until the earlier of 84 months or death.

Teachers hired prior to July 1, 2007, and meeting eligibility requirements before August 26, 2012, may choose one of the following options:

- Maximum annual contributions of \$7,080 for those with single coverage and \$14,790 for those with family coverage (not to exceed 80% of the premium exit rate for the Teachers health and dental benefit). These HRA contributions will be made until the earlier of 8 years, Medicare-eligibility or death.
- An amount equal to \$4,000 per year of service, up to a maximum of 40 years. Total amount will be divided equally over an 84-month period and contributed into an HRA on behalf of the retiree. These contributions will be made until the earlier of 84 months or death.

Custodians and Food Service employees hired before July 1, 2024, that are at least age 60 with a minimum of 15 years of service are eligible for the following:

- The District will make contributions into an HRA on behalf of the retiree equal to 50 percent of the health and dental premiums, all capped at the rates in effect a month after retirement. These HRA contributions will be made until the earlier of Medicare-eligibility or death.

Secretaries, Specialists, and Paraprofessionals hired before July 1, 2024, that are at least age 59 with a minimum of 15 years of service are eligible for the following:

- The District will make contributions into an HRA on behalf of the retiree equal to 50 percent of the health and dental premiums, all capped at the rates in effect a month after retirement. These HRA contributions will be made until the earlier of Medicare-eligibility, age 65 or death.

Employees Covered - As of the June 30, 2024 measurement date, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	63
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>307</u>
Total	<u>370</u>

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 7 - Post Employment Benefits Other Than Pensions - Continued

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2025, the District contributed \$773,972. There were no contributions from the plan members.

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3.0%
Mortality:	Wisconsin 2020 Mortality Table
Medical Care Cost Trend:	7.0% decreasing by 0.5% per year to 6.5%, then by 0.1% per year to 4.5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2013. Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

The OPEB liability for June 30, 2024 is based upon an update of the liability calculated from the July 1, 2023 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments was determined by expected future real rates of return (expected returns, net of plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
Fixed Income	2.25%	100%

Discount Rate - A discount rate of 2.25 percent was used to measure the total OPEB healthcare liability. This discount rate was based on the expected rate of return on plan investments of 2.25 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate did not incorporate a municipal bond rate.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 7 - Post Employment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Healthcare Liability

	TOTAL OPEB HEALTHCARE LIABILITY	FIDUCIARY NET POSITION	NET OPEB HEALTHCARE LIABILITY
BEGINNING BALANCE	\$ 7,896,831	\$ 2,716,324	\$ 5,180,507
Changes for the year:			
Service cost	303,005	-	303,005
Interest	172,566	-	172,566
Differences between expected and actual experience	(14,331)	-	(14,331)
Contributions - Employer	-	773,972	(773,972)
Net investment income	-	41,236	(41,236)
Benefit payments	(757,464)	(757,464)	-
NET CHANGES	(296,224)	57,744	(353,968)
ENDING BALANCE	<u>\$ 7,600,607</u>	<u>\$ 2,774,068</u>	<u>\$ 4,826,539</u>

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate -

The following presents the net OPEB healthcare liability calculated using the healthcare cost trend rate of 7.0 percent decreasing to 4.5 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current rate:

	1% Decrease to Healthcare Cost Rate (6.0% decreasing to 3.5%)	Current Healthcare Cost Rate (7.0% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (8.0% decreasing to 5.5%)
Net OPEB healthcare liability	\$ 4,628,416	\$ 4,826,539	\$ 5,052,542

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the net OPEB healthcare liability calculated using the discount rate of 2.25 percent, as well as what the net OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB healthcare liability	\$ 5,158,478	\$ 4,826,539	\$ 4,503,954

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

For the year ended June 30, 2025, the District recognized OPEB healthcare expense of \$478,665.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 7 - Post Employment Benefits Other Than Pensions - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,413	\$ 32,240
Net differences between projected and actual earnings on pension plan investments	41,079	-
Changes in assumptions	397,261	145,961
Employer contributions subsequent to the measurement date	773,972	-
Total	\$1,242,725	\$ 178,201

\$773,972 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

Year ending June 30	Deferred Outflows and Inflows of Resources
2026	\$ 74,049
2027	70,912
2028	67,405
2029	62,444
2030	33,663
Thereafter	\$ (17,923)

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

NOTE 8 - Interfund Balance and Activity

Interfund receivable and payable balances on June 30, 2025, are as follows:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General	Employee Benefits	\$ 752,505
Food Service	Employee Benefits	1,536
Employee Benefit Trust	General	773,972
Employee Benefit Trust	Food Service	7,596

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities and business-type activities are netted and eliminated.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

NOTE 8 - Interfund Balance and Activity - Continued

Interfund transfers at June 30, 2025 were as follows:

<u>TRANSFER FROM</u>	<u>TRANSFER TO</u>	<u>AMOUNT</u>
General	Capital Improvement Trust	\$ 100,000
General	Cooperatives Program	69,283
		<u>\$ 169,283</u>

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

NOTE 9 - Fund Balance and Net Position

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

<u>GOVERNMENTAL FUND</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>Nonspendable</u>		
General	Prepays	\$ 45,881
Special Revenue Trust	Prepays	9,145
Total Nonspendable		<u>\$ 55,026</u>
<u>Restricted</u>		
General	Common school fund	\$ 138
General	Self-funded dental	81,969
General	OPEB contributions	300,932
Debt Service Referendum Approved	Principle and interest	5,529,327
Capital Projects	Capital expenditures	25,636,870
Special Revenue Trust	Donor specific expenses	612,594
Community Service	DPI regulations	42,151
Long-Term Capital Improvement	DPI regulations	1,094,975
Total Restricted		<u>\$33,298,956</u>
<u>Assigned</u>		
General	Specific purposes	<u>\$ 999,830</u>
<u>GOVERNMENTAL ACTIVITIES</u>		
<u>Restricted</u>		
General	Common school fund	\$ 138
General	Self-funded dental	81,969
General	OPEB contributions	300,932
Debt Service Referendum Approved	Principle and interest	5,529,327
Capital Projects	Capital expenditures	2,902,463
Special Revenue Trust	Donor specific expenses	612,594
Community Service	DPI regulations	42,151
Long-Term Capital Improvement	Capital expenditures	1,094,975
		<u>\$10,564,549</u>

NOTE 10 - Self-Fund Insurance

Self-insured Risk - The District's self-funded insurance is accounted for in the general fund, with appropriate charges to other funds as payroll is incurred in the other funds. Benefit maximums contained in the plan limit the District's total liability under the Plan. An administrator processes claims fueled and the District is liable for administrative expenses.

SCHOOL DISTRICT OF ONALASKA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2025

Claim Liabilities - The District records an estimated liability for dental claims against the District. Claim liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) incurred but not reported based on historical experience.

NOTE 10 - Self-Fund Insurance - Continued

Unpaid Claims Liabilities - The District self-funded insurance plan had no claims prior to June 30, 2025.

Claims payments are principally funded through charges to employees, which are paid through payroll deductions, and employer contributions to the health plan.

The District premium rates were calculated by a third-party administrator for the self-insured dental plan. The District did receive an actuarial certification related to the adequacy of reserves or financial soundness of the plan.

NOTE 11 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 12 - Limitation of School District Revenue

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

Note 13 - Restatements of Beginning Balances

During 2025, changes in accounting principles resulted in restatements of beginning net position.

Details of reporting units affected by restatements of beginning fund balances are as follows:

	<u>GOVERNMENT-WIDE</u>		<u>PROPRIETARY FUND</u>
	<u>CAPITAL</u>	<u>NONMAJOR</u>	
	<u>PROJECTS</u>	<u>GOVERNMENTAL</u>	<u>FOOD SERVICE</u>
		<u>FUNDS</u>	
June 30, 2024 as previously stated	\$ 52,481,398	\$ 1,090,046	\$ 1,090,046
Change in accounting principle (GASB 101)	<u>(3,128,919)</u>	<u>(62,943)</u>	<u>(62,943)</u>
June 30, 2024, as restated	<u>\$ 49,352,479</u>	<u>\$ 1,027,103</u>	<u>\$ 1,027,103</u>

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

REQUIRED SUPPLEMENTARY INFORMATION

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

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
REVENUE										
Property taxes	\$ 19,350,305	\$ -	\$ 19,350,305	\$ 19,350,305	\$ -	\$ 19,350,305	\$ 19,350,169	\$ -	\$ 19,350,169	\$ (136)
Other local sources	488,900	-	488,900	488,900	-	488,900	636,320	-	636,320	147,420
Interdistrict sources	4,938,062	5,500	4,943,562	4,938,062	5,500	4,943,562	4,805,491	6,274	4,811,765	(131,797)
Intermediate sources	8,000	10,000	18,000	8,000	10,000	18,000	4,880	12,888	17,768	(232)
State sources	19,750,608	1,685,000	21,435,608	19,802,391	1,697,319	21,499,710	19,878,512	1,950,203	21,828,715	329,005
Federal sources	570,433	814,652	1,385,085	695,193	993,050	1,688,243	693,628	1,050,621	1,744,249	56,006
Other sources	200,000	-	200,000	200,000	-	200,000	148,188	1,319	149,507	(50,493)
TOTAL REVENUE	45,306,308	2,515,152	47,821,460	45,482,851	2,705,869	48,188,720	45,517,188	3,021,305	48,538,493	349,773
EXPENDITURES										
Current										
Instruction										
Undifferentiated instruction	-	-	-	-	-	-	-	-	-	-
Regular instruction	18,498,959	-	18,498,959	18,417,769	-	18,417,769	17,942,971	-	17,942,971	474,798
Vocational instruction	1,003,387	-	1,003,387	1,006,633	-	1,006,633	1,019,949	-	1,019,949	(13,316)
Special instruction	-	5,620,768	5,620,768	-	5,706,285	5,706,285	-	5,821,502	5,821,502	(115,217)
Other instruction	2,052,213	-	2,052,213	2,157,598	-	2,157,598	2,154,739	-	2,154,739	2,859
Total Instruction	21,554,559	5,620,768	27,175,327	21,582,000	5,706,285	27,288,285	21,117,659	5,821,502	26,939,161	349,124
Support services										
Pupil services	1,527,736	793,440	2,321,176	1,560,678	793,440	2,354,118	1,507,691	761,006	2,268,697	85,421
Instructional staff services	2,440,302	397,008	2,837,310	2,530,094	398,158	2,928,252	2,407,967	381,438	2,789,405	138,847
General administration services	906,494	-	906,494	913,994	-	913,994	858,733	-	858,733	55,261
Building administration services	2,019,641	-	2,019,641	2,019,641	-	2,019,641	1,991,551	-	1,991,551	28,090
Business services	6,480,351	303,000	6,783,351	6,379,586	303,000	6,682,586	6,228,217	272,166	6,500,383	182,203
Central services	227,980	4,750	232,730	227,980	5,800	233,780	203,891	3,442	207,333	26,447
Insurance	375,400	-	375,400	375,400	-	375,400	339,864	-	339,864	35,536
Other support services	936,310	-	936,310	1,048,423	-	1,048,423	1,092,622	-	1,092,622	(44,199)
Total Support Services	14,914,214	1,498,198	16,412,412	15,055,796	1,500,398	16,556,194	14,630,536	1,418,052	16,048,588	507,606
Non-program transactions	3,452,422	255,000	3,707,422	3,452,422	358,000	3,810,422	3,422,996	354,567	3,777,563	32,859
Debt Service										
Principal	30,600	-	30,600	30,600	-	30,600	30,563	-	30,563	37
Interest	4,650	-	4,650	4,650	-	4,650	4,647	-	4,647	3
Total Debt Service	35,250	-	35,250	35,250	-	35,250	35,210	-	35,210	40
Capital outlay	628,145	-	628,145	628,645	-	628,645	657,725	-	657,725	(29,080)
TOTAL EXPENDITURES	40,584,590	7,373,966	47,958,556	40,754,113	7,564,683	48,318,796	39,864,126	7,594,121	47,458,247	860,549
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	4,721,718	(4,858,814)	(137,096)	4,728,738	(4,858,814)	(130,076)	5,653,062	(4,572,816)	1,080,246	1,210,322
OTHER FINANCING SOURCES (USES)										
Transfer from (to) other funds	(5,020,794)	4,858,814	(161,980)	(5,027,814)	4,858,814	(169,000)	(4,742,099)	4,572,816	(169,283)	(283)
Sale of capital assets	-	-	-	-	-	-	5,000	-	5,000	5,000
TOTAL OTHER FINANCING SOURCES (USES)	(5,020,794)	4,858,814	(161,980)	(5,027,814)	4,858,814	(169,000)	(4,737,099)	4,572,816	(164,283)	4,717
NET CHANGE IN FUND BALANCE	(299,076)	-	(299,076)	(299,076)	-	(299,076)	915,963	-	915,963	1,215,039
FUND BALANCE - BEGINNING OF YEAR	12,422,392	-	12,422,392	12,422,392	-	12,422,392	12,422,392	-	12,422,392	-
FUND BALANCE - END OF YEAR	\$ 12,123,316	\$ -	\$ 12,123,316	\$ 12,123,316	\$ -	\$ 12,123,316	\$ 13,338,355	\$ -	\$ 13,338,355	\$ 1,215,039

SCHOOL DISTRICT OF ONALASKA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED JUNE 30, 2025

NOTE 1 - Budgetary Information

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

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

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

NOTE 2 - Excess of Actual Expenditure Over Budget

The following functions had an excess of \$1,000 or more actual expenditures over budget for the year ended June 30, 2025.

General/ Special Education	Vocational instruction	\$ 13,316
General/ Special Education	Special instruction	115,217
General/ Special Education	Other support services	44,199
General/ Special Education	Capital Outlay	29,080

SCHOOL DISTRICT OF ONALASKA
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

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

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

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

(Continued on Page 49)

SCHOOL DISTRICT OF ONALASKA
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2025

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

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

Mortality:

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

SCHOOL DISTRICT OF ONALASKA
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2025

SCHEDULE OF CHANGES IN THE OPEB HEALTHCARE LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Healthcare Liability									
Service cost	\$ 458,876	\$ 458,876	\$ 356,265	\$ 342,774	\$ 344,718	\$ 428,817	\$ 337,687	\$ 345,285	\$ 303,005
Interest	335,142	316,363	315,374	314,379	289,953	192,831	181,653	176,576	172,566
Differences between expected and actual experience	-	(66,267)	-	51,141	-	16,592	(15,228)	(10,853)	(14,331)
Changes of assumptions or other input	-	(890,554)	(109,899)	196,538	547,818	(243,269)	-	55,921	-
Benefit payments	(1,552,498)	(1,287,445)	(1,316,271)	(1,048,238)	(961,479)	(915,791)	(776,629)	(690,531)	(757,464)
Net Changes in Total OPEB Healthcare Liability	(758,480)	(1,469,027)	(754,531)	(143,406)	221,010	(520,820)	(272,517)	(123,602)	(296,224)
Total OPEB Healthcare Liability - Beginning	11,718,204	10,959,724	9,490,697	8,736,166	8,592,760	8,813,770	8,292,950	8,020,433	7,896,831
Total OPEB Healthcare Liability - Ending	\$ 10,959,724	\$ 9,490,697	\$ 8,736,166	\$ 8,592,760	\$ 8,813,770	\$ 8,292,950	\$ 8,020,433	\$ 7,896,831	\$ 7,600,607
Plan Fiduciary Net Position									
Contributions - employer	\$ 1,431,036	\$ 1,431,041	\$ 1,316,271	\$ 1,249,996	\$ 2,131,044	\$ 1,506,044	\$ 876,891	\$ 876,891	\$ 773,972
Net investment income	66	2,626	4,985	5,449	9,825	30,081	36,700	33,470	41,236
Benefit payments	\$ (1,552,498)	\$ (1,287,445)	\$ (1,316,271)	\$ (1,048,238)	\$ (961,479)	\$ (915,791)	\$ (776,629)	\$ (690,531)	\$ (757,464)
Net Changes in Plan Fiduciary Net Position	(121,396)	146,222	4,985	207,207	1,179,390	620,334	136,962	219,830	57,744
Plan Fiduciary Net Position - Beginning	322,790	201,394	347,616	352,601	559,808	1,739,198	2,359,532	2,496,494	2,716,324
Plan Fiduciary Net Position - Ending (b)	\$ 201,394	\$ 347,616	\$ 352,601	\$ 559,808	\$ 1,739,198	\$ 2,359,532	\$ 2,496,494	\$ 2,716,324	\$ 2,774,068
Net OPEB Healthcare Liability - Ending (a) - (b)	\$ 10,758,330	\$ 9,143,081	\$ 8,383,565	\$ 8,032,952	\$ 7,074,572	\$ 5,933,418	\$ 5,523,939	\$ 5,180,507	\$ 4,826,539
Plan fiduciary net position as a percentage of the total OPEB Healthcare liability	1.84%	3.66%	4.04%	6.51%	19.73%	28.45%	31.13%	34.40%	36.50%
Covered payroll	\$ 9,987,599	\$ 9,555,239	\$ 9,555,239	\$ 17,915,542	\$ 17,915,542	\$ 17,696,290	\$ 17,696,290	\$ 18,442,998	\$ 18,442,998
OPEB Healthcare liability as a percentage of covered payroll	107.72%	95.69%	87.74%	44.84%	39.49%	33.53%	31.22%	28.09%	26.17%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 1,383,266	\$ 1,383,266	\$ 1,335,798	\$ 1,375,872	\$ 2,450,432	\$ 2,523,945	\$ 876,891	\$ 903,198	\$ 773,972
Contributions in relation to the actuarially determined contributions	(1,431,036)	(1,431,041)	(1,316,271)	(1,249,996)	(2,131,044)	(1,506,044)	(876,891)	(876,891)	(773,972)
Contribution deficiency (excess)	\$ (47,770)	\$ (47,775)	\$ 19,527	\$ 125,876	\$ 319,388	\$ 1,017,901	\$ -	\$ 26,307	\$ -
Covered payroll	\$ 9,987,599	\$ 9,555,239	\$ 9,555,239	\$ 17,915,542	\$ 17,915,542	\$ 17,696,290	\$ 17,696,290	\$ 18,442,998	\$ 18,442,998
Contributions as a percentage of covered payroll	14.33%	14.98%	13.78%	6.98%	11.89%	8.51%	4.96%	4.75%	4.20%
Actuarial valuation date	6/30/2015	6/30/2017	6/30/2017	6/30/2019	6/30/2019	6/30/2021	6/30/2021	6/30/2023	6/30/2023
Measurement date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2017. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

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

Methods and assumptions used to determine actuarial calculations - entry age normal cost, 20-year AA municipal bond percent, 4.21 percent discount rate, 3.0 percent salary increases, 2020 WRS Experience Tables.

Changes of benefit terms - there were no changes of benefit terms.

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

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF ONALASKA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>	TRUST	COMMUNITY SERVICE	LONG-TERM CAPITAL IMPROVEMENT TRUST	
Cash and investments	\$ 620,934	\$ 61,213	\$ 1,094,975	\$ 1,777,122
Prepays	9,145	-	-	9,145
TOTAL ASSETS	\$ 630,079	\$ 61,213	\$ 1,094,975	\$ 1,786,267
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 8,340	\$ 19,053	\$ -	\$ 27,393
Accrued payroll liabilities	-	9	-	9
TOTAL LIABILITIES	8,340	19,062	-	27,402
FUND BALANCES				
Nonspendable	9,145	-	-	9,145
Restricted	612,594	42,151	1,094,975	1,749,720
TOTAL FUND BALANCES	621,739	42,151	1,094,975	1,758,865
TOTAL LIABILITIES AND FUND BALANCES	\$ 630,079	\$ 61,213	\$ 1,094,975	\$ 1,786,267

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

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	COMMUNITY SERVICE	COOPERATIVE PROGRAM	LONG-TERM CAPITAL IMPROVEMENT TRUST	
REVENUE					
Property taxes	\$ -	\$ 167,000	\$ -	\$ -	\$ 167,000
Other local sources	649,688	-	8,057	-	657,745
Interdistrict	-	-	36,199	-	36,199
Other sources	-	-	-	45,794	45,794
TOTAL REVENUE	<u>649,688</u>	<u>167,000</u>	<u>44,256</u>	<u>45,794</u>	<u>906,738</u>
EXPENDITURES					
Current					
Instruction					
Regular instruction	89,780	-	-	-	89,780
Vocational instruction	5,926	-	-	-	5,926
Other instruction	425,722	-	81,144	-	506,866
Total Instruction	<u>521,428</u>	<u>-</u>	<u>81,144</u>	<u>-</u>	<u>602,572</u>
Support Service					
Pupil services	140	-	-	-	140
Instructional staff services	5,420	-	-	-	5,420
General administration services	21,627	-	-	-	21,627
Business services	48,271	75,018	32,395	-	155,684
Central services	370	-	-	-	370
Community services	-	49,831	-	-	49,831
Total Support Services	<u>75,828</u>	<u>124,849</u>	<u>32,395</u>	<u>-</u>	<u>233,072</u>
Non-Program Transactions	20,750	-	-	-	20,750
Capital Outlay	12,945	-	-	-	12,945
TOTAL EXPENDITURES	<u>630,951</u>	<u>124,849</u>	<u>113,539</u>	<u>-</u>	<u>869,339</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	18,737	42,151	(69,283)	45,794	37,399
OTHER FINANCING SOURCES (USES)					
Net transfer from (to) other funds	-	-	69,283	100,000	169,283
NET CHANGE IN FUND BALANCE	18,737	42,151	-	145,794	206,682
FUND BALANCES - BEGINNING OF YEAR	603,002	-	-	949,181	1,552,183
FUND BALANCES - END OF YEAR	<u>\$ 621,739</u>	<u>\$ 42,151</u>	<u>\$ -</u>	<u>\$ 1,094,975</u>	<u>\$ 1,758,865</u>

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

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
<u>Child Nutrition Cluster</u>							
School Breakfast Program		10.553					
July 1, 2024 - June 30, 2025	2025-324095-DPI-SB-546		\$ -	\$ 121,161	124,246	\$ 3,085	\$ -
Food Distribution		10.555					
July 1, 2024 - June 30, 2025	None		-	145,494	145,494	-	-
National School Lunch Program		10.555					
July 1, 2024 - June 30, 2025	2025-324095-DPI-NSL-547		-	543,949	557,092	13,143	-
Summer Food Service Program for Children		10.559					
July 1, 2023 - June 30, 2024	2024-324095-DPI-SFSP-586		20,317	20,317	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-SFSP-586		-	36,595	47,390	10,795	-
			<u>20,317</u>	<u>867,516</u>	<u>874,222</u>	<u>27,023</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE							
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
<u>Title IA Cluster</u>							
Title IA - Grants to Local Educational Agencies		84.010					
July 1, 2023 - June 30, 2024	2024-324095-DPI-TIA-141		68,656	68,656	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-TIA-141		-	169,185	289,516	120,331	-
Total Title IA Cluster			<u>68,656</u>	<u>237,841</u>	<u>289,516</u>	<u>120,331</u>	<u>-</u>
<u>Special Education Cluster</u>							
Special Education - Grants to States (IDEA Part B)		84.027					
July 1, 2023 - June 30, 2024	2024-324095-DPI-IDEA-FT-341		130,003	130,003	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-FLOW-341		-	518,845	811,279	292,434	-
Special Education - Grants to States Discretionary		84.027					
July 1, 2024 - June 30, 2025	None		-	750	750	-	-
Special Education - Preschool Grants (IDEA Preschool)		84.173					
July 1, 2023 - June 30, 2024	2024-324095-DPI-IDEA-P-347		2,418	2,418	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-PRESCH-347		-	4,825	6,412	1,587	-
Special Education - Early Childhood (IDEA Early Childhood)		84.173A					
July 1, 2023 - June 30, 2024	2024-324095-DPI-ELIMG-348		8,995	8,995	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-ELIMG-348		-	3,232	12,083	8,851	-
Total Special Education Cluster			<u>141,416</u>	<u>669,068</u>	<u>830,524</u>	<u>302,872</u>	<u>-</u>
Career and Technical Education - Basic Grants to States (Perkins IV)		84.048					
July 1, 2023 - June 30, 2024	2024-324095-DPI-CTE-400		8,601	8,601	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-CTE-400		-	23,192	23,192	-	-
			<u>8,601</u>	<u>31,793</u>	<u>23,192</u>	<u>-</u>	<u>-</u>
Title III - English Language Acquisition Grants		84.365					
July 1, 2023 - June 30, 2024	2024-324095-DPI-TIIIA-391		16,452	16,452	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-TIIIA-391		-	-	19,663	19,663	-
			<u>16,452</u>	<u>16,452</u>	<u>19,663</u>	<u>19,663</u>	<u>-</u>

(Continued on page 54)

SCHOOL DISTRICT OF ONALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
YEAR ENDED JUNE 30, 2025

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF EDUCATION - Continued							
Wisconsin Department of Public Instruction - Continued							
Student Support and Academic Enrichment (Title IV-A)							
July 1, 2023 - June 30, 2024	2024-324095-DPI-TIV-A-381	84.424A	\$ 4,269	\$ 4,269	\$ -	\$ -	\$ -
July 1, 2024 - June 30, 2025	2025-324095-DPI-TIV-A-381		-	8,950	20,327	11,377	-
			<u>4,269</u>	<u>13,219</u>	<u>20,327</u>	<u>11,377</u>	<u>-</u>
<u>Education Stabilization Fund</u>							
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund							
July 1, 2023 - June 30, 2024	2022-324095-DPI-ESSERFIII-165	84.425D	280,915	280,915	-	-	-
July 1, 2024 - June 30, 2025	2022-324095-DPI-ESSERFIII-165		-	32,990	32,990	-	-
			<u>280,915</u>	<u>313,905</u>	<u>32,990</u>	<u>-</u>	<u>-</u>
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III - EBIS) Fund							
July 1, 2023 - June 30, 2024	2022-324095-DPI-EBIS-165	84.425D	1,815	1,815	-	-	-
COVID 19 - ESSER After School Program							
July 1, 2024 - June 30, 2025	2023-324095-DPI-ESF-AF-SCH-165	84.425U	-	129,381	129,381	-	-
COVID 19 - ARPA Homeless Children and Youth							
July 1, 2023 - June 30, 2024	2022-324095-DPI-ARPHCYII-173	84.425W	731	731	-	-	-
July 1, 2024 - June 30, 2025	2022-324095-DPI-ARPHCYII-173		-	2,342	2,342	-	-
			<u>283,461</u>	<u>448,174</u>	<u>164,713</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund							
Title II-A - Improving Teacher Quality State Grants							
July 1, 2023 - June 30, 2024	2024-324095-DPI-TII-A-365	84.367	18,547	18,547	-	-	-
July 1, 2024 - June 30, 2025	2025-324095-DPI-TII-A-365		-	17,383	24,746	7,363	-
			<u>18,547</u>	<u>35,930</u>	<u>24,746</u>	<u>7,363</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>541,402</u>	<u>1,452,477</u>	<u>1,372,681</u>	<u>461,606</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Wisconsin Department of Health Services							
Medical Assistance							
July 1, 2024 - June 30, 2025	None	93.778	-	362,629	371,356	8,727	-
Cooperative Educational Service Agency #4							
Public Health Emergency Response							
July 1, 2023 - June 30, 2024	None	93.354	16,438	16,438	-	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>16,438</u>	<u>379,067</u>	<u>371,356</u>	<u>8,727</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 578,157</u>	<u>\$ 2,699,060</u>	<u>\$ 2,618,259</u>	<u>\$ 497,356</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School District of Onalaska (the "District") and is presented on the accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified 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. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used in the amount of \$145,494 during the fiscal year ended June 30, 2025.

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

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	324095-100	255.101	\$ -	\$ 1,879,987	\$ 1,879,987	\$ -	\$ -
State School Lunch Aid	324095-107	255.102	-	12,903	12,903	-	-
Common School Fund Library Aid	324095-104	255.103	-	210,229	210,229	-	-
Bilingual/Bicultural Aid	324095-111	255.106	-	51,926	51,926	-	-
General Transportation Aid	324095-102	255.107	-	30,075	30,075	-	-
Wisconsin School Day Milk Program	324095-109	255.115	-	1,694	1,694	-	-
Equalization Aid	324095-116	255.201	-	16,778,443	16,778,443	-	-
High Cost Special Education Aid	324095-119	255.210	-	76,309	76,309	-	-
Aid for School Mental Health Programs	324095-176	255.227	-	26,509	26,509	-	-
School Based Mental Health Service Grant	324095-177	255.297	(369)	81,560	81,929	-	-
Alcohol and Drug Abuse Program	324095-143	255.306	14,948	14,948	15,000	15,000	-
School Breakfast Program	324095-108	255.344	-	6,405	6,405	-	-
Early College Credit Program	324095-178	255.445	-	2,672	2,672	-	-
Educator Effectiveness Evaluation System	324095-154	255.940	-	20,580	20,580	-	-
Per Pupil Aid	324095-113	255.945	-	1,942,556	1,942,556	-	-
Career and Technical Education Incentive	324095-152	255.950	-	27,478	27,478	-	-
Assessment of Reading Readiness	324095-166	255.956	-	3,332	3,332	-	-
Aid for Special Education Transition Grant BBL	324095-168	255.960	-	12,319	12,319	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			<u>14,579</u>	<u>21,179,925</u>	<u>21,180,346</u>	<u>15,000</u>	<u>-</u>
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Youth Apprenticeship State Grant	None	445.107	-	4,880	4,880	-	-
WISCONSIN DEPARTMENT OF JUSTICE							
School Safety Initiative	None	455.206	-	24,272	24,272	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Computer Aid	None	None	178,214	178,214	178,214	178,214	-
Exempt Personal Property	None	None	-	485,395	485,395	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			<u>178,214</u>	<u>663,609</u>	<u>663,609</u>	<u>178,214</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 192,793</u>	<u>\$ 21,872,686</u>	<u>\$ 21,873,107</u>	<u>\$ 193,214</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of the District. The information in this schedule is presented in accordance with the requirements of the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule of state financial assistance are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in State Single Audit Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Special Education and School Age Parents Program

2024-2025 eligible costs under the State Special Education Program are \$6,444,814.

SCHOOL DISTRICT OF ONALASKA
Onalaska, Wisconsin

OTHER REPORTS



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

To the Board of Education
School District of Onalaska
Onalaska, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Onalaska (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. However, material weaknesses or significant deficiencies may exist that were not identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 1, 2025



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

To the Board of Education
School District of Onalaska
Onalaska, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the School District of Onalaska (the "District")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration 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 other major federal and state programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of 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 program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 1, 2025

SCHOOL DISTRICT OF ONALASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to the financial statements? _____ Yes X No

Federal Awards

Internal control over financial reporting:

Material weakness identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? _____ Yes X 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 Uniform Guidance? _____ Yes X No

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster (IDEA)
93.778	Medicaid Cluster

State Assistance

Internal control over financial reporting:

Material weakness identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? _____ Yes X 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 *State Single Audit Guidelines*? _____ Yes X No

