MONONA GROVE SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Education
Monona Grove School District
Monona Grove, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, 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 Monona Grove School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 56 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

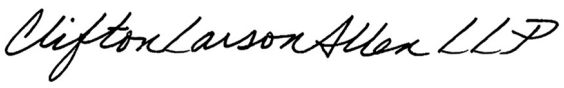
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Monona Grove School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Monona Grove School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monona Grove School District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 15, 2025

BASIC FINANCIAL STATEMENTS

MONONA GROVE SCHOOL DISTRICT
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 11,011,504
Investments	5,246,175
Property Taxes Receivable	9,128,648
Accounts Receivable, Net	453,495
Leases Receivable	235,476
Due from OPEB Trust	227
Due from Other Governments	1,214,269
Prepaid Items	386,905
Right-of-Use Assets, Net of Amortization	1,296,358
Capital Assets:	
Capital Assets Not Being Depreciated	4,294,187
Capital Assets, Net of Depreciation	107,490,677
Total Assets	140,757,921
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts Related to Supplemental Pension	1,593,482
Deferred Amounts Related to Pensions	13,892,881
Deferred Amounts Related to OPEB	1,950,168
Total Deferred Outflows of Resources	17,436,531
LIABILITIES	
Accounts Payable	294,403
Accrued Salaries and Related Benefits	5,192,933
Other Accrued Liabilities	2,796
Unearned Revenue	374,898
Short-Term Notes Payable	7,075,000
Accrued Interest	800,880
Long-Term Liabilities:	
Due Within One Year:	
Bond and Notes Payable	5,083,000
Lease Payable	735,047
Total Supplemental Pension	1,184,154
Compensated Absences	1,430,818
Due in More than a Year:	
Bonds and Notes Payable	75,819,565
Lease Payable	846,715
Total Supplemental Pension	4,834,982
Net Pension Liability	2,540,050
Total OPEB Liability	3,825,119
Total Liabilities	110,090,513

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Governmental Activities
Deferred Amounts Related to OPEB	3,875,582
Total Deferred Inflows of Resources	11,603,013
NET POSITION	
Net Investment in Capital Assets	37,596,895
Restricted for:	
Food Service	708,138
Special Revenue Gift	437,235
Capital Projects	993,637
Community Services	232,149
Unspent Grant Revenues	55,671
Debt Service	2,869,403
Unrestricted	(6,392,202)
Total Net Position	$ 36,500,926

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 35,121,667	$ 171,391	$ 3,441,947	$ (31,508,329)
Support Services	29,418,746	1,317,103	2,585,420	(25,516,223)
Community Services	654,085	539,983	-	(114,102)
Nonprogram	3,602,640	-	6,090,752	2,488,112
Depreciation - Unallocated	2,623,555	-	-	(2,623,555)
Amortization - Unallocated	1,003,098	-	-	(1,003,098)
Total Governmental Activities	$ 72,423,791	$ 2,028,477	$ 12,118,119	(58,277,195)
GENERAL REVENUES				
Taxes:				
Property Taxes, Levied for General Purposes				24,794,346
Property Taxes, Levied for Debt Service				7,474,948
Property Taxes, Levied for Community Services				1,017,587
Other Taxes				88,950
Grants and Contributions Not Restricted to Specific Programs				26,885,888
Investment Earnings				563,663
Miscellaneous				716,271
Total General Revenues and Transfers				61,541,653
CHANGE IN NET POSITION				3,264,458
Net Position - Beginning of Year				33,236,468
NET POSITION - END OF YEAR				$ 36,500,926

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Non Referendum Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 8,499,576	$ -	$ 2,511,928	$ 11,011,504
Investments	1,841,435	1,114,708	2,290,032	5,246,175
Receivables:				
Property Taxes	9,128,648	-	-	9,128,648
Accounts, Net	72,226	-	381,269	453,495
Leases	235,476		-	235,476
Due from Other Funds	147,214	-	-	147,214
Due from Other Governments	1,189,401	-	24,868	1,214,269
Prepaid Items	386,905	-	-	386,905
Total Assets	$ 21,500,881	$ 1,114,708	$ 5,208,097	$ 27,823,686
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 223,223	$ -	$ 71,180	$ 294,403
Accrued Salaries and Related Benefits	5,170,170	-	22,763	5,192,933
Other Accrued Liabilities	2,796	-	-	2,796
Due to Other Funds	142	67,298	79,547	146,987
Short-Term Notes Payable	7,075,000	-	-	7,075,000
Accrued Interest Payable	334,323	-	-	334,323
Deposits Payable	50,153	-	-	50,153
Unearned Revenue	-	-	374,898	374,898
Total Liabilities	12,855,807	67,298	548,388	13,471,493
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts Related to Leases	235,476	-	-	235,476
FUND BALANCES				
Nonspendable:				
Prepaid Items	386,905	-	-	386,905
Restricted:				
Food Service	-	-	708,138	708,138
Special Revenue Gift	-	-	437,235	437,235
Capital Projects	-	-	993,637	993,637
Community Services	-	-	232,149	232,149
Unspent Grant Revenues	55,671	-	-	55,671
Debt Service	-	1,047,410	2,288,550	3,335,960
Unassigned	7,967,022	-	-	7,967,022
Total Fund Balances	8,409,598	1,047,410	4,659,709	14,116,717
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 21,500,881	$ 1,114,708	$ 5,208,097	$ 27,823,686

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds	$	14,116,717
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the governmental funds.		111,784,864
Right-of-use assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		1,296,358
Deferred outflows of resources and deferred inflows of resources for pension and OPEB are applicable to future periods, and, therefore, are not reported in the governmental funds.		
Deferred Outflows of Resources Related to Pensions		15,486,363
Deferred Outflows of Resources Related to OPEB		1,950,168
Deferred Inflows of Resources Related to Pensions		(7,491,955)
Deferred Inflows of Resources Related to OPEB		(3,875,582)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and Notes Payable		(78,385,000)
Lease Liability - Right to Use		(1,581,762)
Unamortized Premiums and Discounts on Bonds		(2,517,565)
Accrued Interest Payable		(466,557)
Compensated Absences		(1,430,818)
Net Pension Asset (Liability)		(2,540,050)
Net Supplemental Pension (Liability)		(6,019,136)
Net OPEB Asset (Liability)		(3,825,119)
Net Position of Governmental Activities	$	36,500,926

See accompanying Notes to Basic Financial Statements.

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

	General	Non Referendum Debt Service	Referendum Debt Service
REVENUES			
Property Taxes	$ 24,794,346	$ 2,348,867	$ -
Other Local Sources	-	-	-
Interdistrict Sources	5,006,865	-	-
Intermediate Sources	-	-	-
State Sources	30,080,432	-	-
Federal Sources	1,353,572	-	-
Other Sources	1,126,440	97,368	-
Total Revenues	62,361,655	2,446,235	-
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	21,614,686	-	-
Vocational Instruction	1,683,192	-	-
Special Instruction	6,803,478	-	-
Co-Curricular Activities	945,670	-	-
Physical Curriculum	1,609,263	-	-
Other Instruction	1,123,898	-	-
Total Instruction	33,780,187	-	-
Support Services:			
Pupil Services	3,560,655	-	-
Instructional Staff Services	4,234,617	-	-
General Administration Services	1,283,272	-	-
Building Administration Services	3,831,160	-	-
Business Services	9,761,186	-	-
Food Services	-	-	-
Central Services	999,062	-	-
Insurance	436,086	-	-
Other Support Services	2,133,650	-	-
Total Support Services	26,239,688	-	-
Community Services	-	-	-
Non-Program	3,207,139	-	-
Debt Service:			
Principal	795,697	7,870,000	-
Interest	651,954	900,717	-
Total Debt Service	1,447,651	8,770,717	-
Total Expenditures	64,674,665	8,770,717	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,313,010)	(6,324,482)	-
OTHER FINANCING SOURCES (USES)			
Bonds Issued	7,000,000	6,890,000	-
Leases	1,575,723	-	-
Total Other Financing Sources (Uses)	8,575,723	6,890,000	-
NET CHANGE IN FUND BALANCES	6,262,713	565,518	-
Fund Balance - Beginning, As Originally Reported	2,146,885	481,892	2,285,802
Change Within Financial Reporting Entity	-	-	(2,285,802)
Fund Balance - Beginning of Year, As Adjusted	2,146,885	481,892	-
FUND BALANCES - END OF YEAR	$ 8,409,598	$ 1,047,410	$ -

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property Taxes	$ -	$ 6,143,668	$ 33,286,881
Other Local Sources	-	2,427,809	2,427,809
Interdistrict Sources	-	422,756	5,429,621
Intermediate Sources	-	677,872	677,872
State Sources	-	28,129	30,108,561
Federal Sources	-	858,901	2,212,473
Other Sources	-	321,224	1,545,032
Total Revenues	-	10,880,359	75,688,249
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	-	114,439	21,729,125
Vocational Instruction	-	135,769	1,818,961
Special Instruction	-	-	6,803,478
Co-Curricular Activities	-	621,641	1,567,311
Physical Curriculum	-	-	1,609,263
Other Instruction	-	-	1,123,898
Total Instruction	-	871,849	34,652,036
Support Services:			
Pupil Services	-	1,562	3,562,217
Instructional Staff Services	-	537,840	4,772,457
General Administration Services	-	259,879	1,543,151
Building Administration Services	-	76	3,831,236
Business Services	-	1,819,917	11,581,103
Food Services	-	2,206,427	2,206,427
Central Services	-	-	999,062
Insurance	-	755	436,841
Other Support Services	-	210,720	2,344,370
Total Support Services	-	5,037,176	31,276,864
Community Services	-	651,515	651,515
Non-Program	-	395,501	3,602,640
Debt Service:			
Principal	-	3,195,000	11,860,697
Interest	-	1,951,050	3,503,721
Total Debt Service	-	5,146,050	15,364,418
Total Expenditures	-	12,102,091	85,547,473
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,221,732)	(9,859,224)
OTHER FINANCING SOURCES (USES)			
Bonds Issued	-	-	13,890,000
Leases	-	-	1,575,723
Total Other Financing Sources (Uses)	-	-	15,465,723
NET CHANGE IN FUND BALANCES	-	(1,221,732)	5,606,499
Fund Balance - Beginning, As Originally Reported	2,111,867	1,483,772	8,510,218
Change Within Financial Reporting Entity	(2,111,867)	4,397,669	-
Fund Balance - Beginning of Year, As Adjusted	-	5,881,441	8,510,218
FUND BALANCES - END OF YEAR	$ -	$ 4,659,709	$ 14,116,717

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balance - Governmental Funds	$	5,606,499
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Expenditures for Capital Assets		5,010,944
Current Year Depreciation		(2,623,555)
Current Year Amortization		(1,003,098)
Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued. These amounts are deferred and amortized in the statement of activities.		
Refunding Bonds Issued		(7,000,000)
Bonds Issued		(6,890,000)
Principal Payments on Bonds		11,065,000
Increase in Lease Payable - Right to Use		(1,575,723)
Principal Payments on Right to Use assets		795,697
Amortization of Premium		512,303
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.		
Accrued Interest on Long-Term Debt		(45,654)
Compensated Absences		(554,168)
Net Pension Liability (Asset)		(280,545)
Deferred Outflows of Resources Related to Pensions		(5,046,095)
Deferred Inflows of Resources Related to Pensions		4,605,076
Other Postemployment Benefits		1,968,992
Deferred Outflows of Resources Related to Other Postemployment Benefits		59,223
Deferred Inflows of Resources Related to Other Postemployment Benefits		(1,340,438)
Change in Net Position of Governmental Activities	$	3,264,458

See accompanying Notes to Basic Financial Statements.

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

	Employee Benefit Trust
ASSETS	
Cash and Cash Equivalents	$ 396,634
Investments	2,913,161
Due From Primary Government	142
Total Assets	3,309,937
LIABILITIES	
Benefits Payable	142
Due to Primary Government	369
Total Liabilities	511
NET POSITION	
Restricted	3,309,426
Total Fiduciary Net Position	$ 3,309,426

See accompanying Notes to Basic Financial Statements.

MONONA GROVE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Employee Benefit Trust
ADDITIONS	
Employer Contributions	$ 938,646
Investment Income	291,884
Total Additions	1,230,530
DEDUCTIONS	
Trust Fund Disbursements	1,043,720
Total Deductions	1,043,720
CHANGE IN NET POSITION	186,810
Net Position - Beginning of Year	3,122,616
NET POSITION - END OF YEAR	$ 3,309,426

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Monona Grove School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below:

A. Reporting Entity

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

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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

C. Basis of Presentation – Fund Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund

The General Fund is the District's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund.

Non-Referendum Debt Service

This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.

The District reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted, committed, or assigned to expenditures for specified purposes.

School Nutrition Services
Special Revenue Gift
Cooperative Program
Community Service

Capital Projects Fund – used to account for future capital improvements at the District.

Referendum Debt Service- this fund accounts for the resources accumulated and payments made for principal and interest on long term debt.

Additionally, the District reports the following fund types:

Fiduciary Fund Types

Employee Benefit Trust Fund

This fund accounts for the resources legally held in trust for other postemployment benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the District the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, other local sources, interdistrict sources, intermediate sources, state sources, federal sources, and other sources associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances, unless a separate account is required, are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund.

2. Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

3. Property Tax Levy

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Accounts Receivable

All trade and other receivables are shown net of allowances for uncollectible amounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay. In addition to those receivables specifically identified as uncollectible, a general allowance is established for receivables older than one year.

5. Interfund Balances

Activity between funds that is representative of lending or borrowing arrangements is reported as either “due to/from other funds” (current portion) or “advances to/from other funds (noncurrent portion).” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

6. Inventories and Prepaid Items

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first in-first out method for governmental funds and at the lower of average cost or net realizable value for proprietary funds. In the governmental funds, the cost of inventories are recorded as expenditures at the time of purchase. In the governmental funds, reported inventories are classified as nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

7. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, are reported in the applicable governmental activities in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

Capital assets are capitalized and reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend its life are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Class	Lives
Buildings and Improvements	15-50 Years
Machinery and Equipment	5-30 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The District does not report any SBITA assets as of June 30, 2025.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 2.G. and 2.H.

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements. The District's deferred inflows of resources reported on the statement of net position relate to leases, pension, and other postemployment benefits, which are more fully discussed in Note 2.F, 2.G. and 2.H, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Deferred Outflows/Inflows of Resources (Continued)

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The District may report deferred inflows of resources related to unavailable revenues for property taxes, other local sources, interdistrict sources, intermediate sources, state sources, federal sources, and other sources. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

9. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

10. Compensated Absences

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Pension

Wisconsin Retirement System

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

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

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

Supplemental Pension Plan

For purposes of measuring the total pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, and pension expense, the District has used values provided by their actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. No assets were accumulated in a trust as of the measurement date.

12. Other Postemployment Benefits (OPEB)

Single Employer Postemployment Benefit Plan

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Other Postemployment Benefits (OPEB) (Continued)

Local Retiree Life Insurance Fund

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

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, and
- OPEB Expense (Revenue)

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

13. Deferred Compensation Plan

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

14. Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Consists of amounts that can be spent only for specific purposes because of constraints imposed by external resource providers (creditors, grantors contributors or laws or regulations of other governments) or imposed by constitutional provisions or enabling legislation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Balance (Continued)

Committed Fund Balance – Consists of amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Board, the District's highest decision-making level of authority. Commitments may be changed or lifted only by the Board taking the same formal action that originally imposed the constraint.

Assigned Fund Balance – Consists of amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Intent may be expressed either by the Board or officials to which the Board has delegated authority.

Unassigned Fund Balance – Consists of the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Any deficit fund balance within the other governmental fund types is reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

15. Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Net Position (Continued)

Unrestricted Net Position – Is the amount of net position that does not meet the definition of the two preceding categories.

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

F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Accounting Changes

Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The adoption of this standard did not result in the restatement of any previously reported balances.

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The debt service funds and employee benefit trust funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. All other funds share in common bank and investment accounts. Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the District's cash and investments totaled $19,567,474 on June 30, 2025 as summarized below:

Description	Book Balance
Petty Cash	$ 3,667
Demand Deposits	11,404,471
Wisconsin Investment Series Cooperative:	
Cash Management Series	1,842,910
Investment Series	3,403,265
Equity Mutual Funds	1,406,030
Bond Mutual Funds	1,094,665
Fixed Interest Annuities	412,466
Total	$ 19,567,474

Reconciliation to the basic financial statements:

Reconciliation to the Statement of Net Position:	
Government Activities	$ 16,257,679
Fiduciary Activities	3,309,795
Total	$ 19,567,474

Fair Value Measurements

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

The District has the following fair value measurement as of June 30, 2025:

Description	Total	Level 1	Level 2	Level 3
Equity Mutual Funds	$ 1,406,030	$ 1,406,030	$ -	$ -
Bond Mutual Funds	1,094,665	1,094,665	-	-
Total	$ 2,500,695	$ 2,500,695	$ -	$ -

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the District's deposits and investments and the related risks.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2025, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits.

Credit Risk

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

Description	Total	Exempt from Disclosure	AAA	AA	A	Other	Not Rated
Wisconsin Investment Series Cooperative:							
Cash Management Series	$ 1,842,910	$ -	$ -	$ -	$ -	$ -	$ 1,842,910
Investment Series	3,403,265	-	-	-	-	-	3,403,265
Bond Mutual Funds	1,094,665	595,110	10,054	28,020	97,926	352,978	10,577
Equity Mutual Funds	1,406,030	-	-	-	-	-	1,406,030
Fixed Interest Annuities	412,466	-	-	-	-	-	412,466
Total	$ 8,159,336	$ 595,110	$ 10,054	$ 28,020	$ 97,926	$ 352,978	$ 7,075,248

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

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

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

Description	Total	< 12 Months	12-24 Months	24-60 Months	> 60 Months
Wisconsin Investment Series Cooperative:					
Cash Management Series	$ 1,842,910	$ 1,842,910	$ -	$ -	$ -
Investment Series	3,403,265	3,403,265	-	-	-
Bond Mutual Funds	1,094,665	-	-	378,708	715,957
Total	$ 6,340,840	$ 5,246,175	$ -	$ 378,708	$ 715,957

Investment in Wisconsin Investment Series Cooperation

WISC was established in 1988 by school officials pursuant to an Intergovernmental Cooperation Agreement designed specifically for investment of funds by participating Wisconsin Public entities. It is governed by a board of commissioners comprised of superintendents and business officials participating entities. The investment objective of the Fund is to provide a competitive yield for participants while maintaining liquidity and preserving capital by investing only in securities and instruments in which public entities are permitted to invest by Wisconsin law. The Commission has contracted with US Bank to act as its investment advisor and with PMA Financial Network, Inc. (PMA to administer the Fund.

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of $5,246,175 at year-end consisting of $1,842,910 invested in the Cash Management Series and $3,403,265 invested in the Investment Series. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperate Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 4,294,187	$ -	$ -	$ 4,294,187
Total Capital Assets Not Being Depreciated	4,294,187	-	-	4,294,187
Capital Assets Being Depreciated:				
Buildings and Improvements	132,844,753	2,560,146	-	135,404,899
Machinery and Equipment	10,149,299	893,482	100,903	10,941,878
Leased Assets (Right of Use)	2,536,224	1,557,316	2,072,092	2,021,448
Total Capital Assets Being Depreciated	145,530,276	5,010,944	2,172,995	148,368,225
Less Accumulated Depreciation For:				
Buildings and Improvements	29,516,990	2,192,028	-	31,709,018
Machinery and Equipment	6,816,458	431,527	100,903	7,147,082
Leased Assets (Right of Use)	1,794,084	1,003,098	2,072,092	725,090
Total Accumulated Depreciation	38,127,532	3,626,653	2,172,995	39,581,190
Total Capital Assets Being Depreciated, Net	107,402,744	1,384,291	-	108,787,035
Total Capital Assets, Net	$ 111,696,931	$ 1,384,291	$ -	$ 113,081,222

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

C. Interfund Receivables, Payables and Transfers

Interfund receivables and payables as of June 30, 2025 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General	$ 147,214	$ 142
Capital Projects	-	79,547
Non-Referendum Debt Service	-	67,298
Fiduciary Fund	142	369
Totals	$ 147,356	$ 147,356

D. Short-Term Obligations

The District issued tax and revenue anticipation promissory notes for working capital and operational cash flow needs pending receipt of the District's taxes and equalization aid allocations from the state government. Short-Term Debt activity for the year ended June 30, 2025 was as follows:

	Outstanding 7/1/24	Issued	Retired	Outstanding 6/30/25
Promissory Note Dated 10/5/2023	$ 5,000,000	$ -	$ 5,000,000	$ -
Promissory Note Dated 10/5/2023	7,170,000	-	7,170,000	-
Tax and Revenue Anticipation Promissory Note Dated 10/4/2024	-	7,075,000	-	7,075,000
Tax and Revenue Anticipation Notes	$ 12,170,000	$ 7,075,000	$ 12,170,000	$ 7,075,000

Total interest paid during the year on short-term debt totaled $557,581.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

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

Description	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	$ 68,870,000	$ 6,890,000	$ 4,375,000	$ 71,385,000	$ 3,440,000
Notes	6,690,000	7,000,000	6,690,000	7,000,000	1,643,000
Total General Obligation Debt	75,560,000	13,890,000	11,065,000	78,385,000	5,083,000
Bond Premium	3,029,868	-	512,303	2,517,565	-
Lease Liability - Right to Use	801,736	1,575,723	795,697	1,581,762	735,047
Compensated Absences	876,650	554,168	-	1,430,818	1,430,818
Total Governmental Activities	$ 80,268,254	$ 16,019,891	$ 12,373,000	$ 83,915,145	$ 7,248,865

Bonds and notes principal and interest are paid by the District Debt Service Fund. Lease liability and Compensated absences are liquidated by the District General Fund.

Total interest paid during the year on long-term debt totaled $2,648,200.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Description	Issue Dates	Interest Rates	Maturity Date	Original Amount	Balance 6/30/2025
G.O. School Improvement Bonds	5/6/2019	3.00-4.00%	5/1/2039	$ 57,000,000	$ 53,375,000
G.O. Refunding Bonds	3/3/2021	1.50%	5/1/2031	14,680,000	5,245,000
Taxable G.O. Refunding Bonds	5/1/2015	3.00-4.00%	5/1/2035	2,040,000	1,405,000
G.O. School Improvement Bonds	9/15/2021	1.00-2.00%	5/1/2028	1,085,000	880,000
G.O. Refunding Bonds	3/16/2022	2.00-3.00%	5/1/2033	4,590,000	3,590,000
Taxable G.O. Promissory Notes	10/2/2024	4.77%	5/1/2034	7,000,000	7,000,000
G.O. Refunding Bonds	4/1/2025	4.00-4.25%	10/1/2045	6,890,000	6,890,000
Total General Obligation Debt					$ 78,385,000

Annual principal and interest maturities of the outstanding general obligation debt of $78,385,000 on June 30, 2025 are detailed below:

Years Ending	Principal	Interest	Total
2026	$ 5,083,000	$ 2,719,007	$ 7,802,007
2027	4,464,000	2,614,175	7,078,175
2028	4,632,000	2,450,899	7,082,899
2029	4,856,000	2,280,573	7,136,573
2030	5,052,000	2,087,082	7,139,082
2031-2035	27,123,000	7,416,844	34,539,844
2036-2040	23,460,000	2,875,936	26,335,936
2041-2045	3,715,000	478,590	4,193,590
Total	$ 78,385,000	$ 22,923,105	$ 101,308,105

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2025 was $317,445,244 as follows:

Equalized Value Certfied by Wisconsin Department of Revenue	$ 3,958,302,437
Margin of Indebtedness at 10 Percent	$ 395,830,244
*Deduct Long-Term Debt Applicable to Debt Margin	(78,385,000)
Margin of Indebtedness	$ 317,445,244

Current Refunding

On April 1, 2025 the District issued $6,890,000 in general obligation refunding bonds and refunded $6,690,000 of principal on existing general obligation notes. The cash flow requirement on the refunded bonds prior to the refunding was $7,091,250. The cash flow requirements on the 2025 bonds are 11,304,930 from April 1, 2025 through 2045. The refunding resulted in an economic gain of $164,234 at an effective interest rate of 4.125%.

F. Leases

During the current year, the District entered into six new right-to-use lease arrangement for equipment. An initial lease liability was recorded in the amount of $1,575,723 during the current fiscal year. The District is required to make various principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement.

The District leases equipment under long-term noncancelable leases. The future minimum lease payments for these agreements are as follows:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2026	$ 735,047	$ 46,752	$ 781,799
2027	517,809	21,997	539,806
2028	299,508	2,012	301,520
2029	29,398	646	30,044
Total	$ 1,581,762	$ 71,407	$ 1,653,169

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (Continued)

These lease agreements qualify as right-to-use assets for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

	Governmental Activities
Right-to-Use Assets:	
Leased Asset - Equipment	$ 2,021,448
Less: Accumulated Amortization	(725,090)
Total	$ 1,296,358

G. Pension Plans

1. WRS Pension Plan Description

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, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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 occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Benefits Provided (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 occupation employees) 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 The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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 year ended June 30, 2025, the WRS recognized $2,323,131 in contributions from the District.

Contribution rates for the reporting period are:

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

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

At June 30, 2025, the District reported a liability of $2,540,050 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.15458272% which was an increase of 0.00429896% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $3,399,045.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

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

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 Projected and Actual Experience	$ 7,888,245	$ 7,412,476
Net Differences Between Projected and Actual Earning on Pension Plan Investments	3,859,740	-
Changes in Assumptions	753,682	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	904	53,433
District Contributions Subsequent to the Measurement Date	1,390,310	-
Total	$ 13,892,881	$ 7,465,909

The $1,390,310 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	Amortization of Deferred Outflows and Inflows (Net)
2026	$ 1,511,497
2027	5,250,632
2028	(1,314,576)
2029	(410,891)
2029	-
	$ 5,036,662

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0	6.1	3.4
Private Equity/Debt	20.0	9.5	6.7
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Multi-Asset	4.0	0.058	0.033
Leverage	-12.0	3.7	1.1
Total Core Fund	100.0%	7.5	4.8
Variable Fund Asset:			
U.S. Equities	70.0%	6.5%	3.8%
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0%	6.9%	4.2%

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

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

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% 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 6.80%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate 5.80%	Current Discount Rate 6.80%	1% Increase to Discount Rate 7.80%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 23,828,985	$ 2,540,050	$ (12,585,128)

Payable to the Supplemental Pension Plan

At June 30, 2025, the District reported $561,428 payable to the plan.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

2. Supplemental Pension Plan

Pension Description

Qualifying Administrators and Teachers are provided with a stipend/supplemental pension. This stipend is a single employer defined benefit pension plan administered by the District. Supplemental pension benefits are funded on a pay as you go basis. There are no assets accumulated in a trust.

Benefits Provided

The District provided eligible Tier 1 Teachers retiring by the end of 2015-2016 with 403(b) contributions upon their retirement. These contributions were based upon the retiree's highest annual salary amount less their monthly/annual expected Social Security benefit at age 62. The 403(b) contributions are paid out monthly over a number of years based on the retiree's retirement age. A Teacher who retired at age 62 or older did not receive any 403(b) payment/contribution.

Teachers in Tier 2 who are eligible to retire between the 2016-2017 and 2026-2027 school years will receive monthly 403(b) contributions from the District upon retirement in an amount and duration based upon the year they first become eligible to retire. Teachers in Tier 1 who did not retire by the end of the 2015-2016 year will automatically become eligible for the Tier 2 benefit and are guaranteed the maximum benefit amount. Teachers in Tier 2 who do not retire by 2027 are guaranteed the amount for which they were eligible had they retired in Tier 2.

Teachers in Tier 3 who are eligible to retire after the 2026-2027 school year receive a $1,500 per year contribution to an irrevocable account after the completion of one year of service. The contributions are transferred into a 403(b) account after completion of the 10th year of service.

Employees Covered by Benefit Terms

As of the June 30, 2024 valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	31
Active Employees	32
Total	63

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Contributions

Contributions are determined by an annual actuarial valuation. The actuarially determined contribution is comprised of the service cost plus the portion of the net pension liability to be amortized in the valuation year. The District is not contractually required to make a contribution to the Trust. During the reporting period, the District did not make any contributions.

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

	Amount
Total Pension Liability at July 1, 2024	$ 6,044,213
Changes for the Year:	
Service Cost	140,775
Interest	250,261
Changes of Benefit Terms	-
Differences Between Expected and Actual	648,159
Changes of Assumptions or Other Input	42,209
Benefit Payments	(1,106,481)
Net Changes	(25,077)
Total Pension Liability at June 30, 2025	$ 6,019,136

For the year ended June 30, 2025, the District recognized pension expense of $276,940

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 339,898	$ -
Changes in Assumptions	21,104	26,046
District Contributions Subsequent to the Measurement Date	1,232,480	-
Total	$ 1,593,482	$ 26,046

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

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

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

Year Ending June 30,	Expense
2025	$ 334,956

Actuarial Assumptions

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

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

Actuarial Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Reporting Date:	June 30, 2025
Actuarial Cost Method	Entry Age Normal (Level Percent of Salary)
Discount Rate	4.21%
Muncipial Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020
Inflation	2.50%
Mortality	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 Projection scale from a base year of 2010

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

2. Supplemental Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

The following presents the District's net pension liability at June 30, 2024 calculated using the discount rate of 4.21%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (3.21%) than the current rate.

	1% Decrease to Discount Rate 3.21%	Current Discount Rate 4.21%	1% Increase to Discount Rate 5.21%
Total Pension Liability	$ 6,164,491	$ 6,019,136	$ 5,873,674

The sensitivity of the District's total pension liability was determined based on the actuarial date while the net pension liability of $6,019,136 was based on the District's fiscal year ended June 30, 2024.

Payable to the Supplemental Pension Plan
At June 30, 2025, the District reported no payables to the plan.

H. Other Postemployment Benefits

1. Single Employer Post Employment Benefits

Plan Description

The District provides other post-employment benefits (OPEB) for its employees through a single-employer retiree plan that provides postemployment health and dental insurance benefits to retiree's at least age 55 with a minimum of 10 years of service and subject to the rule of 70 (Upon retirement, the District will contribute the same benefit level and premium percentages of the medical and dental premiums at the time of the retiree's last semester of teaching in the District until age 70). Benefits and eligibility are established and amended by the Board of Education.

Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	79
Active Employees	468
Total	547

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single Employer Post Employment Benefits

Contributions

There is no requirement for any employee or employer contributions for funding of the plan. During the reporting period, the District made $608,637 in contributions to the Trust.

Actuarial Assumptions

The District's net OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

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

Actuarial Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Reporting Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal - Level Percent of Salary
Inflation	2.50%
Discount Rate	6.00%
Healthcare Cost Trend Rates	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter

Mortality rates are the same as those used in the Wisconsin 2020 Mortality Table.

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%, which is an increase 1.50% used in the prior measurement date.. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single Employer Post Employment Benefits (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Assets (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2023	$ 4,701,693	$ 356,438	$ 4,345,255
Changes for the Year:			
Service Cost	197,080	-	197,080
Interest	205,209	-	205,209
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(979,910)	-	(979,910)
Changes of Assumptions	(589,046)	-	(589,046)
Contributions - Employer		608,637	(608,637)
Net Investment Income		5,991	(5,991)
Benefit Payments	(480,067)	(480,067)	-
Net Changes	(1,646,734)	134,561	(1,781,295)
Balance at 6/30/2024	$ 3,054,959	$ 490,999	$ 2,563,960

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease to Discount Rate 5.00%	Current Discount Rate 6.00%	1% Increase to Discount Rate 7.00%
Net OPEB Liability (Asset)	$ 2,689,604	$ 2,563,960	$ 2,446,182

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

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

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB Liability (Asset)	$ 2,421,942	$ 2,563,960	$ 2,724,790

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single Employer Post Employment Benefits (Continued)

OPEB Plan Fiduciary Net Position

Information about the OPEB plan's fiduciary net position is presented in the Employee Benefit Trust Fund in these financial statements.

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

For the year ended June 30, 2025, the District recognized OPEB expense of $147,461 At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 2,042,868
Changes in Assumptions	538,713	994,151
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	18,842	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-
Employer Contributions Subsequent to the Measurement Date	937,636	-
Total	$ 1,495,191	$ 3,037,019

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

Year Ending	Amortization of Deferred Outflows and Inflows (Net)
2025	$ (232,075)
2026	(232,067)
2027	(232,897)
2028	(284,815)
2029	(295,602)
Thereafter	(1,202,008)

Payable to the OPEB Plan

At June 30, 2025, the District reported no payables to the plan.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund

Benefits Provided

The LRLIF plan provides fully paid up to life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage

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

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

Contribution rates as of June 30, 2025 are:

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

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

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

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

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Benefits Provided (Continued)

During the reporting period, the LRLIF recognized $6,837 in contributions from the employer.

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

At June 30, 2025 the District reported a liability of $1,261,159 its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024.

material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.32236100%, which was an increase of 0.00743700% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of $109,179.

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

	Deferred Outflows of	Deferred Inflows of
Differences Between Expected and Actual Actual Experience	$ -	$ 131,205
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	17,319	-
Changes in Assumptions	309,453	707,358
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	128,205	-
Total	$ 454,977	$ 838,563

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

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

Year Ended June 30,	Expense
2026	$ (10,232)
2027	(73,894)
2028	(121,175)
2029	(120,738)
2030	(19,271)
Thereafter	(38,276)
Total	$ (383,586)

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	40%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Single Discount Rate (Continued)

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

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's Proportionate Share of the Net OPEB Liability (Asset)	$ 1,685,716	$ 1,261,159	$ 934,000

Payable to the OPEB Plan

The District had no outstanding amount of contribution to the plan as of June 30, 2025.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity

Restricted Fund Balance

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

	General Fund	Non Referendum Debt Service	Other Nonmajor Funds	Total
Nonspendable:				
Prepaid Expenses	$ 386,905	$ -	$ -	$ 386,905
Restricted:				
Food Service	-	-	708,138	708,138
Special Revenue Gift	-	-	437,235	437,235
Capital Projects	-	-	993,637	993,637
Community Services	-	-	232,149	232,149
Unspent Grant Revenues	55,671	-	-	55,671
Debt Service	-	1,047,410	2,288,550	3,335,960
Total Restricted	55,671	1,047,410	4,659,709	5,762,790
Unassigned	7,967,022	-	-	7,967,022
Total Fund Balance	$ 8,409,598	$ 1,047,410	$ 4,659,709	$ 14,116,717

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by District Board action. At June 30, 2025, the District did not report any committed fund balance.

Assigned Fund Balance

In the fund financial statements, portions of government fund balances are assigned. At June 30, 2025, the District did not report any assigned fund.

Minimum Fund Balance Policy – General Fund

The District has adopted a policy to maintain an unassigned year-end fund balance in the General Fund that is equivalent to at least 15%, but not greater than 25% of the anticipated General Fund Expenditure Budget for the subsequent fiscal year.

Budgeted 2025-2026 Expenditures (Less Transfers)	$ 56,021,092
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	$ 8,403,164

The District's unassigned General Fund Balance as of June 30, 2025 was $7,967,022, and is therefore out of compliance with their policy.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Net Position

The District reports restricted net position at June 30, 2025 as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 111,784,864
Right of Use Assets, Net	1,296,358
Less: G.O. Bonds and Notes	(71,385,000)
Less: G.O. Bonds and Notes Premium	(2,517,565)
Less: Right of Use Lease Payable	(1,581,762)
Total Net Investment in Capital Assets	37,596,895
Restricted:	
Food Service	708,138
Special Revenue Gift	437,235
Capital Projects	993,637
Community Services	232,149
Unspent Grant Revenues	55,671
Debt Service	2,869,403
Total Restricted	5,296,233
Unrestricted	(6,392,202)
Total Net Position	$ 36,500,926

NOTE 3 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage. The District has not had material reductions in coverage or material claims in excess of coverage in the last three years.

B. Contingencies

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

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Contingencies (Continued)

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

C. Limitation on School District Revenues

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

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

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

D. Accounting Changes

The Referendum Debt Service Fund and Capital Projects Fund previously met the criteria to be reported as major governmental funds. However effective July 1, 2024, the funds meet the criteria to be reported as nonmajor funds and they are reported as such for the fiscal year ended June 30, 2025. The effect of those changes to or within the financial reporting entity is shown in column C of the table below:

	June 30, 2024, As Previously Reported	Change to or Within the Financial Reporting Entity (C)	June 30, 2024, As Adjusted
Governmental Funds:			
Major Funds:			
General Fund	$ 2,146,885	$ -	$ 2,146,885
Capital Projects	2,111,867	(2,111,867)	-
Referendum Debt Service	2,285,802	(2,285,802)	-
Non-Referendum Debt Service	481,892	-	481,892
Nonmajor Funds	1,483,772	4,397,669	5,881,441
Total Governmental Funds	$ 8,510,218	$ -	$ 8,510,218

E. Subsequent Events

On October 31, 2025 the District issued a $9,000,000 tax and revenue anticipation promissory note. The Note has an effective date of October 31, 2025 and is due November 1, 2026 with an interest rate of 8.00%. The District has pledged tax revenue and all other available current fiscal year revenues, including state aids, sufficient to pay the Tax and Revenue Anticipation Promissory Note together with interest.

REQUIRED SUPPLEMENTARY INFORMATION

MONONA GROVE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE –
BUDGET TO ACTUAL – GENERAL FUND (10)
YEAR ENDED JUNE 30, 2025

	General Fund (10)			
	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Property Taxes	$ 24,794,346	$ 24,794,346	$ 24,794,346	$ -
Interdistrict Sources	4,871,158	4,871,158	4,851,615	(19,543)
State Sources	27,078,075	27,078,075	27,367,817	289,742
Federal Sources	305,437	305,437	369,327	63,890
Other Sources	893,694	893,694	1,125,249	231,555
Total Revenues	57,942,710	57,942,710	58,508,354	565,644
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	21,963,212	21,963,212	21,614,114	349,098
Vocational Instruction	1,660,935	1,660,935	1,683,192	(22,257)
Co-Curricular Activities	868,549	868,549	945,670	(77,121)
Physical Curriculum	1,629,324	1,629,324	1,609,263	20,061
Other Instruction	1,032,601	1,032,601	1,035,959	(3,358)
Total Instruction	27,154,621	27,154,621	26,888,198	266,423
Support Services:				
Pupil Services	2,089,454	2,089,454	2,073,919	15,535
Instructional Staff Services	2,822,843	2,822,843	3,544,857	(722,014)
General Administration Services	1,276,585	1,276,585	1,283,272	(6,687)
Building Administration Services	3,926,135	3,926,135	3,831,160	94,975
Business Services	9,154,321	9,154,321	9,262,511	(108,190)
Central Services	1,213,409	1,213,409	998,712	214,697
Insurance	425,311	425,311	436,086	(10,775)
Other Support Services	2,334,145	2,334,145	2,133,650	200,495
Total Support Services	23,242,203	23,242,203	23,564,167	(321,964)
Non-Program	2,068,087	2,068,087	2,166,272	(98,185)
Debt Service:				
Principal	845,195	845,195	795,697	49,498
Interest	491,825	491,825	651,954	(160,129)
Total Debt Service	1,337,020	1,337,020	1,447,651	(110,631)
Total Expenditures	53,801,931	53,801,931	54,066,288	(264,357)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,140,779	4,140,779	4,442,066	830,001
OTHER FINANCING SOURCES (USES)				
Bonds Issued	7,000,000	7,000,000	7,000,000	-
Leases	1,057,150	1,057,150	1,575,723	518,573
Transfers Out	(6,710,101)	(6,710,101)	(6,755,076)	44,975
Total Other Financing Sources (Uses)	1,347,049	1,347,049	1,820,647	563,548
NET CHANGE IN FUND BALANCES	5,487,828	5,487,828	6,262,713	1,393,549
Fund Balance - Beginning of Year	2,146,885	2,146,885	2,146,885	-
FUND BALANCES - END OF YEAR	$ 7,634,713	$ 7,634,713	$ 8,409,598	$ 774,885

See accompanying Notes to the Required Supplementary Information.

MONONA GROVE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE –
BUDGET TO ACTUAL – SPECIAL EDUCATION FUND (27)
YEAR ENDED JUNE 30, 2025

	Special Education Fund (27)			
	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Interdistrict Sources	$ 164,062	$ 164,062	$ 155,250	$ (8,812)
State Sources	2,931,095	2,931,095	2,712,615	(218,480)
Federal Sources	873,563	873,563	984,245	110,682
Other Sources	-	-	1,191	1,191
Total Revenues	3,968,720	3,968,720	3,853,301	(115,419)
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	500	500	572	(72)
Special Instruction	7,257,081	7,257,081	6,803,478	453,603
Other Instruction	84,750	84,750	87,939	(3,189)
Total Instruction	7,342,331	7,342,331	6,891,989	450,342
Support Services:				
Pupil Services	1,691,787	1,691,787	1,486,736	205,051
Instructional Staff Services	513,697	513,697	689,760	(176,063)
Business Services	2,000	2,000	5,979	(3,979)
Operation and Maintenance	2,000	2,000	-	2,000
Pupil Transportation	494,500	494,500	492,696	1,804
Central Services	1,425	1,425	350	1,075
Total Support Services	2,705,409	2,705,409	2,675,521	29,888
Non-Program	631,081	631,081	1,040,867	(409,786)
Total Expenditures	10,678,821	10,678,821	10,608,377	70,444
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,710,101)	(6,710,101)	(6,755,076)	(185,863)
OTHER FINANCING SOURCES (USES)				
Transfers In	6,710,101	6,710,101	6,755,076	44,975
NET CHANGE IN FUND BALANCES	-	-	-	(140,888)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to the Required Supplementary Information.

MONONA GROVE SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN MEASUREMENT PERIODS

Plan Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.13039500	$ 2,127,664	$ 18,533,379	11.48%	98.20%
12/31/2016	0.13300300	1,096,488	19,901,262	5.51%	99.12%
12/31/2017	0.13787600	(4,093,712)	21,537,571	-19.01%	102.93%
12/31/2018	0.14355700	5,107,303	22,682,029	22.52%	96.45%
12/31/2019	0.14588226	(4,709,310)	23,223,049	-20.28%	102.96%
12/31/2020	0.14702772	(9,179,144)	24,779,283	-37.04%	105.26%
12/31/2021	0.14600432	(11,768,216)	24,944,413	-47.18%	106.02%
12/31/2022	0.14824498	7,853,579	27,523,510	28.53%	95.72%
12/31/2023	0.15028376	2,234,428	29,891,897	7.48%	98.85%
12/31/2024	0.15458272	2,540,050	33,206,322	7.65%	98.79%

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
6/30/2016	$ 1,261,720	$ 1,261,720	$ -	$ 17,262,429	7.31%
6/30/2017	1,313,488	1,313,488	-	18,805,070	6.98%
6/30/2018	1,464,556	1,464,556	-	20,186,909	7.25%
6/30/2019	1,519,588	1,519,588	-	21,253,121	7.15%
6/30/2020	1,549,599	1,549,599	-	23,282,993	6.66%
6/30/2021	1,627,467	1,627,467	-	24,110,590	6.75%
6/30/2022	1,597,270	1,597,270	-	24,129,977	6.62%
6/30/2023	2,108,678	2,108,678	-	31,646,593	6.66%
6/30/2024	2,178,364	2,178,364	-	31,757,943	6.86%
6/30/2025	2,323,131	2,323,131	-	30,619,950	7.59%

See accompanying Notes to the Required Supplementary Information.

MONONA GROVE SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE
LAST TEN FISCAL YEARS

Plan Measurement Date	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	0.25011000	$ 752,476	$ 10,517,841	7.15%	44.81%
12/31/2018	0.27154000	700,665	15,706,000	4.46%	48.69%
12/31/2019	0.27982600	1,191,554	16,310,000	7.31%	37.58%
12/31/2020	0.28332200	1,557,981	16,343,000	9.53%	31.36%
12/31/2021	0.29414100	1,738,482	17,694,000	9.83%	29.57%
12/31/2022	0.30018200	1,143,641	17,134,000	6.67%	38.81%
12/31/2023	0.31492400	1,448,856	18,794,000	7.71%	33.90%
12/31/2024	0.32236100	1,261,159	18,430,000	6.84%	37.20%

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
6/30/2018	$ 5,773	$ 5,773	$ -	$ 12,128,151	0.0476%
6/30/2019	6,241	6,241	-	13,111,921	0.0476%
6/30/2020	5,058	5,058	-	16,326,500	0.0310%
6/30/2021	5,647	5,647	-	18,216,129	0.0310%
6/30/2022	6,020	6,020	-	19,419,355	0.0310%
6/30/2023	6,022	6,022	-	19,425,810	0.0310%
6/30/2024	6,417	6,417	-	20,700,000	0.0310%
6/30/2025	6,837	6,837	-	22,054,839	0.0310%

See accompanying Notes to the Required Supplementary Information.

MONONA GROVE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS – SUPPLEMENTAL PENSION (STIPEND) PLAN
LAST TEN MEASUREMENT PERIODS

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Stipend Liability									
Service Cost	$ 320,865	$ 320,865	$ 299,309	$ 242,629	$ 260,522	$ 288,159	$ 294,643	$ 145,538	$ 140,775
Interest	183,495	186,167	213,283	232,972	217,410	157,678	150,728	250,206	250,261
Changes in Benefits	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(143,291)	184,525	-	648,856	-	346,677	47,457	648,159
Changes in Assumptions or Other Input	-	-	(57,085)	62,203	313,671	-	(279,157)	(78,136)	42,209
Benefit Payments	(349,878)	(480,765)	(448,680)	(537,095)	(558,203)	(757,947)	(757,947)	(1,006,483)	(1,106,481)
Net Change in Total Stipend Liability	154,482	(117,024)	191,352	709	882,256	(312,110)	(245,056)	(641,418)	(25,077)
Total Stipend Liability - Beginning	6,131,022	6,285,504	6,168,480	6,359,832	6,360,541	7,242,797	6,930,687	6,685,631	6,044,213
Total Stipend Liability - Ending	$ 6,285,504	$ 6,168,480	$ 6,359,832	$ 6,360,541	$ 7,242,797	$ 6,930,687	$ 6,685,631	$ 6,044,213	$ 6,019,136
Covered Payroll	$ 4,586,763	$ 4,586,793	$ 3,910,064	$ 3,910,064	$ 3,890,060	$ 3,890,060	$ 3,155,000	$ 3,155,000	$ 2,476,844
Net Stipend Liability as a Percentage of Covered Payroll	137.04%	134.48%	162.65%	162.67%	186.19%	178.16%	211.91%	191.58%	243.02%

Reporting standards require presentation for the last ten fiscal years. The information above begins with implementation year 2016 and will be updated going forward. Historical data is not available.

See accompanying Notes to the Required Supplementary Information.

MONONA GROVE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service Cost	$ 197,080	$ 197,080	$ 202,196	$ 250,165	$ 244,660	$ 151,004	$ 140,765	$ -	$ -	$ -
Interest	205,209	205,209	201,431	159,189	167,808	262,715	301,523	291,609	292,111	328,838
Differences Between Expected and Actual Experience	(794,407)	(979,910)	(185,503)	(1,199,532)	-	(253,742)	-	(33,049)	-	-
Changes of Assumptions	(589,046)	(589,046)	(102,445)	(522,763)	-	694,226	81,955	529,403	(191,245)	-
Benefit Payments	(426,390)	(480,067)	(697,329)	(707,436)	(889,092)	(1,008,984)	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
Net Change in Total OPEB Liability	(1,407,554)	(1,646,734)	(581,650)	(2,020,377)	(476,624)	(154,781)	(594,432)	(392,207)	(1,731,412)	(945,015)
Total OPEB Liability - Beginning	3,054,959	4,701,693	5,283,343	7,303,720	7,780,344	7,935,125	8,529,557	8,921,764	10,653,176	11,598,191
Total OPEB Liability - Ending (a)	$ 1,647,405	$ 3,054,959	$ 4,701,693	$ 5,283,343	$ 7,303,720	$ 7,780,344	$ 7,935,125	$ 8,529,557	$ 8,921,764	$ 10,653,176
Plan Fiduciary Net Position										
Contributions - Employer	$ 517,204	$ 608,637	$ 486,473	$ 811,030	$ 934,869	$ 1,055,988	$ 1,153,451	$ -	$ 1,421,352	$ 1,311,256
Net Investment Income	-	5,991	7,660	7,573	9,880	31,664	13,843	21,265	87,998	25,179
Adjustment	-	-	(21,685)	-	-	-	-	(1,656,639)	-	-
Benefit Payments	(426,390)	(480,067)	(697,329)	(707,436)	(889,092)	(1,008,984)	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
Net Change in Plan Fiduciary Net Position	90,814	134,561	(224,881)	111,167	55,657	78,668	48,619	(2,815,544)	(322,928)	62,582
Plan Fiduciary Net Position - Beginning	490,999	356,438	581,319	470,152	414,495	335,827	287,208	3,102,752	3,425,680	3,363,098
Plan Fiduciary Net Position - Ending (b)	$ 581,813	$ 490,999	$ 356,438	$ 581,319	$ 470,152	$ 414,495	$ 335,827	$ 287,208	$ 3,102,752	$ 3,425,680
District's Net OPEB Liability - Ending (a) - (b)	$ 1,065,592	$ 2,563,960	$ 4,345,255	$ 4,702,024	$ 6,833,568	$ 7,365,849	$ 7,599,298	$ 8,242,349	$ 5,819,012	$ 7,227,496
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.32%	16.07%	7.58%	11.00%	6.44%	5.33%	4.23%	3.37%	34.78%	32.16%
Covered-Employee Payroll	$ 28,649,379	$ 28,649,379	$ 27,634,906	$ 27,634,906	$ 23,021,517	$ 23,021,517	$ 22,006,622	$ 22,006,622	$ 22,006,622	$ 22,006,622
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	3.72%	8.95%	15.72%	17.01%	29.68%	32.00%	34.53%	37.45%	26.44%	32.84%
Annual Weighted Money-Weighted Rate of Return Net of Investment Expenses	3.09%	3.09%	4.60%	3.40%	0.11%	0.04%	0.41%	1.65%	1.00%	0.11%

See accompanying Notes to the Required Supplementary Information.

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms

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

Change of Assumptions

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

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

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 20217, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

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

NOTE 2 STIPEND PLAN

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index to 4.21%.

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index to 6.00%.

NOTE 4 BUDGETARY INFORMATION

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

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

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

NOTE 4 BUDGETARY INFORMATION (CONTINUED)

Excess of Expenditures over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended June 30, 2025 as follows:

Fund / Function	Amount
General Fund:	
Vocational Instruction	$ (22,257)
Co-Curricular Activities	(77,121)
Other Instruction	(3,358)
Instructional Staff Services	(722,014)
General Administration Services	(6,687)
Business Services	(108,190)
Insurance	(10,775)
Non-Program	(98,185)
Interest	(160,129)
Special Education Fund:	
Regular Instruction	(72)
Other Instruction	(3,189)
Instructional Staff Services	(176,063)
Business Services	(3,979)
Non-Program	(409,786)

SUPPLEMENTARY INFORMATION

MONONA GROVE SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	School Nutrition Services Fund	Special Revenue Gift Fund	Cooperative Program Fund	Community Service Fund	Capital Projects Fund	Referendum Debt Service Fund	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	$ 678,761	$ 437,755	$ 27,487	$ 294,845	$ 1,073,080	$ -	$ 2,511,928
Investments	1,378	-	-	-	104	2,288,550	2,290,032
Receivables:							
Accounts, Net	72,885	-	303,151	5,233	-	-	381,269
Due from Other Governments	24,868	-	-	-	-	-	24,868
Total Assets	$ 777,892	$ 437,755	$ 330,638	$ 300,078	$ 1,073,184	$ 2,288,550	$ 5,208,097
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 9,760	$ 520	$ 4,824	$ 56,076	$ -	$ -	$ 71,180
Accrued Salaries and Related Benefits	8,085	-	2,825	11,853	-	-	22,763
Due to Other Funds	-	-	-	-	79,547	-	79,547
Unearned Revenue	51,909	-	322,989	-	-	-	374,898
Total Liabilities	69,754	520	330,638	67,929	79,547	-	548,388
FUND BALANCES							
Restricted:							
Food Service	708,138	-	-	-	-	-	708,138
Special Revenue Gift	-	437,235	-	-	-	-	437,235
Community Services	-	-	-	232,149	-	-	232,149
Capital Projects	-	-	-	-	993,637	-	993,637
Debt Service	-	-	-	-	-	2,288,550	2,288,550
Total Fund Balances	708,138	437,235	-	232,149	993,637	2,288,550	4,659,709
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 777,892	$ 437,755	$ 330,638	$ 300,078	$ 1,073,184	$ 2,288,550	$ 5,208,097

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

	School Nutrition Services Fund	Special Revenue Gift Fund	Cooperative Program Fund	Community Service Fund	Capital Projects Fund	Referendum Debt Service Fund	Total Governmental Funds
REVENUES							
Property Taxes	$ -	$ -	$ -	$ 1,017,587	$ -	$ 5,126,081	$ 6,143,668
Other Local Sources	1,171,142	716,684	-	539,983	-	-	2,427,809
Interdistrict Sources	-	-	422,756	-	-	-	422,756
Intermediate Sources	-	-	677,872	-	-	-	677,872
State Sources	28,129	-	-	-	-	-	28,129
Federal Sources	858,901	-	-	-	-	-	858,901
Other Sources	34,548	3,910	1,712	265	258,072	22,717	321,224
Total Revenues	2,092,720	720,594	1,102,340	1,557,835	258,072	5,148,798	10,880,359
EXPENDITURES							
Current:							
Instruction:							
Regular Instruction	-	114,439	-	-	-	-	114,439
Vocational Instruction	-	2,063	133,706	-	-	-	135,769
Co-Curricular Activities	-	621,641	-	-	-	-	621,641
Total Instruction	-	738,143	133,706	-	-	-	871,849
Support Services:							
Pupil Services	-	1,562	-	-	-	-	1,562
Instructional Staff Services	-	-	537,840	-	-	-	537,840
General Administration Services	-	984	196	258,699	-	-	259,879
Building Administration Services	-	76	-	-	-	-	76
Business Services	41,203	26,771	39,307	336,334	1,376,302	-	1,819,917
Food Services	2,206,427	-	-	-	-	-	2,206,427
Insurance	-	-	755	-	-	-	755
Other Support Services	-	-	-	210,720	-	-	210,720
Total Support Services	2,247,630	29,393	578,098	805,753	1,376,302	-	5,037,176
Community Services	-	-	-	651,515	-	-	651,515
Non-Program	-	4,965	390,536	-	-	-	395,501
Debt Service:							
Principal	-	-	-	-	-	3,195,000	3,195,000
Interest	-	-	-	-	-	1,951,050	1,951,050
Total Debt Service	-	-	-	-	-	5,146,050	5,146,050
Total Expenditures	2,247,630	772,501	1,102,340	1,457,268	1,376,302	5,146,050	12,102,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(154,910)	(51,907)	-	100,567	(1,118,230)	2,748	(1,221,732)
NET CHANGE IN FUND BALANCES	(154,910)	(51,907)	-	100,567	(1,118,230)	2,748	(1,221,732)
Fund Balance - Beginning, As Originally Reported	863,048	489,142	-	131,582	-	-	1,483,772
Change Within the Financial Reporting Entity	-	-	-	-	2,111,867	2,285,802	4,397,669
Fund Balance - Beginning of Year, As Adjusted	863,048	489,142	-	131,582	2,111,867	2,285,802	5,881,441
FUND BALANCES - END OF YEAR	$ 708,138	$ 437,235	$ -	$ 232,149	$ 993,637	$ 2,288,550	$ 4,659,709

OTHER INDEPENDENT AUDITORS' REPORT

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

Board of Education
Monona Grove School District
Monona Grove, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monona Grove School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

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Report on Compliance and Other Matters

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

Monona Grove School District's Response to Findings

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 15, 2025

MONONA GROVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section II – Financial Statement Findings

2025 – 001: Preparation of the Financial Statements

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The District does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures, which are complete, and presented in accordance with GAAP. In addition, the District had several adjustments to the accounting records after the close process, including adjustments the auditors proposed and the District accepted.

Criteria or specific requirement: District management is responsible for establishing and maintaining internal controls over the fair presentation of the financial statements including disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP) as set by the Government Accounting Standards Board (GASB).

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the District's internal controls in the normal course of business.

Cause: The District relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Repeat Finding: No

Recommendation: We recommend that sufficient financial statement and disclosure review procedure be performed by an individual possessing a thorough understanding of applicable accounting principles generally accepted in the United States of America and knowledge of the District's activities and operations. We also recommend all entries prepared by the District, or proposed by the auditor be included in the close process in the future.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. Corrective action has been included in the District's corrective action plan.

Section II – Financial Statement Findings (Continued)

2025 – 002: Segregation of Duties

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Finance office has had turnover within the audit year that allows for breaks in segregation of duties. The District Deputy Superintendent has access to modify the financial accounting records with minimal review and oversight from other individuals. Examples of this include the ability to prepare, review, approve, and post journal entries without review by a second person. District has utilized a consultant for assistance in these functions, however an access issue remains. While it is not always possible to restrict access rights as a preventative control, given the available resources for the business office, detective controls should be in-place to ensure that the activity recorded is subject to oversight as a means of mitigating the risk of material misstatement. In addition, the completion of the financial close and reporting process lies with the Business Manager, and there is not another individual that poses the skills, knowledge, or expertise to perform these functions on a timely basis.

Criteria or specific requirement: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Effect: Lack of segregation of duties creates an inherent risk that may allow for errors or irregularities to go undetected and uncorrected.

Cause: Due to turnover, the District did not have a sufficient number of individuals engaged in the performance of accounting related activities with the skills, knowledge, or expertise to appropriately segregate duties.

Repeat Finding: No

Recommendation: We recommend that the District implement detective controls that will provide reasonable assurance that the activity that is occurring within the general ledger and related sub-ledgers are subject to routine review by an individual with the skills, knowledge, and expertise to determine the appropriateness of the information. This should include a report of the activity with the appropriate documentation of who performed the review and when it occurred. This should be performed on a routine basis as determined by a documented control process.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. Corrective action has been included in the District's corrective action plan.



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