SCHOOL DISTRICT OF ELMBROOK
BROOKFIELD, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025



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SCHOOL DISTRICT OF ELMBROOK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES	13
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	14
RECONCILIATION TO THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS	15
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	16
RECONCILIATION TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS	18
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	19
STATEMENTS OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	20
NOTES TO BASIC FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS	53
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND – BUDGETARY BASIS	54
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	55
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFIT PLAN	56

SCHOOL DISTRICT OF ELMBROOK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	57
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	57
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	58
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	63
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	65
ADDITIONAL INDEPENDENT AUDITORS' REPORT	
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*	68
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	70

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INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Elmbrook
Brookfield, 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 School District of Elmbrook (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Elmbrook'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 School District of Elmbrook, 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 School District of Elmbrook 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 School District of Elmbrook'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 School District of Elmbrook'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 School District of Elmbrook's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and the budgetary comparison information and the schedules relating to pensions and other postemployment benefits on pages 53 through 57 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.

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 5, 2025, on our consideration of the School District of Elmbrook'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 School District of Elmbrook'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 School District of Elmbrook's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the School District of Elmbrook, we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources as of June 30, 2025 by $138,359,757 *(net position).*

As of June 30, 2025, unassigned fund balance for the general fund was $18,818,463 or approximately 15.5% of total general fund expenditures.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.)

Both the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through use fees and charges (business-type activities). The governmental activities include the District's basic services, such as regular and special education and various support services. The District has no business-type activities.

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The district-wide financial statements can be found on pages 12 - 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the long-term capital projects fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 - 18 of this report.

Fiduciary Funds. The District has custodial responsibilities to maintain funds held for the use of the private purpose trust fund. The District's fiduciary activities are reported in a separate statement of net position and changes in net position on pages 19 - 20 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 - 51 of this report.

Required supplemental information. The District adopts an annual appropriated budget for all its governmental funds. As part of the required supplemental information, budgetary comparison schedules have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget. The budgetary comparison schedules and the pension and other post-employee benefit schedules can be found on pages 53 - 61.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 63 - 66.

District-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $138,359,757 as of June 30, 2025.

School District of Elmbrook's Net Position

	2025	2024
Current and other assets	$ 58,352,790	$ 55,305,734
Capital assets	96,435,970	97,628,187
Right-of-use assets	3,079,478	2,212,261
Total assets	157,868,238	155,146,182
Deferred outflows of resources		
Deferred charge on advance refunding	224,699	306,410
Pension plan	27,464,992	40,056,418
Total deferred outflows of resources	27,689,691	40,362,828
Long-term liabilities outstanding	19,614,721	24,883,849
Other liabilities	12,847,651	11,721,521
Total liabilities	32,462,372	36,605,370
Deferred inflows of resources		
Pension related amounts	14,727,530	25,197,331
Other post-employment benefits	8,270	5,385
Total deferred inflows of resources	14,735,800	25,202,716
Net position		
Net investment in capital assets	82,239,099	78,602,891
Restricted	4,494,814	5,659,222
Unrestricted	51,625,844	49,438,811
Total net position	$ 138,359,757	$ 133,700,924

The District reported a net pension liability of $5,043,101 as of June 30, 2025 for its proportionate share of the Wisconsin Retirement System pension liability as of December 31, 2024, compared to a net pension liability of $4,714,033 for the prior year. Changes in the District's proportionate share are reported as deferred outflows and inflows and amortized over a period to time to net position. Additional information on the pension plan is reported in Note 2.G to the financial statements.

By far the largest portion of the District's net position (59%), reflects its investment in capital assets (e.g. land, building, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is $51,625,844. The large change in net investment in plant and unrestricted is the disposal of capital assets in the current year due to ongoing remodeling projects, and the use of general fund resources for capital asset acquisition.

Net position. The below table shows the changes in net position for the fiscal years 2025 and 2024.

School District of Elmbrook Change in Net Position		
	2025	2024
Revenues		
Program revenues		
Charges for services	$ 6,770,149	$ 7,144,568
Operating grants and contributions	15,078,442	15,870,768
General revenues		
Property taxes	75,919,359	74,575,454
Other taxes	1,155,454	2,284
Grants and contributions not restricted to specific programs	37,360,261	33,887,214
Other	2,042,500	2,233,963
Total Revenues	138,326,165	133,714,251
Expenses		
Instruction	74,104,652	70,014,081
Support services	51,720,114	49,627,274
Interest and fiscal charges	603,604	616,222
Community services	828,802	807,498
Non-program	6,410,160	6,290,716
Total expenses	133,667,332	127,355,791
Change in net position	4,658,833	6,358,460
Net position - July 1	133,700,924	127,342,464
Net position - June 30	$ 138,359,757	$ 133,700,924

As shown, general revenues provide about 84% of the total funding. School District of Elmbrook relies on property taxes for 55% of its total funding. In the prior year, general revenues provided 83% of funding and 56% of funding was from property taxes. Overall, total revenues increased $4,611,914 or 3.4% over the prior year. This was the result of an increase in state equalization aid.

Expenses increased $6,311,541or 5% over the prior year, primarily in instruction and support services expenses.

Governmental Funds Analysis

As of June 30, 2025, the District's governmental funds reported combined ending fund balances of $52,621,041 a increase of $2,590,428 in comparison to the prior year. Approximately 36*% of this amount* ($18,818,463) constitutes *unassigned fund balance*, which is available for spending at the District's discretion. In addition, fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been restricted 1) for retirement of long-term debt ($980,626) 2) expendable gifts ($1,374,413) 3) food service ($894,480), 4) community services ($524,071), 5) capital projects ($757,397).

The general fund is the main operating fund of the District. At the end of the current year, unassigned fund balance of the general fund was $18,818,463. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Total fund balance represents 25% of the total general fund expenditures.

The fund balance of the District's general fund increased by $1,177,553 during the current year while the final budget didn't expect an increase or decrease. Overall, general fund revenues exceeded budget by $3,165,020 and general fund expenditures exceeded budget by $1,240,271. Transfers out were above budget by $747,196.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities of June 30, 2025 amounts to $82,239,099 (net of accumulated depreciation\amortization). This investment in capital assets includes land, land improvements, buildings and furniture and equipment, increased $3,636,208. Construction work in progress totaled $286,145 at end of year.

Long term debt. At the end of the current fiscal year, the District had a total general obligation debt outstanding of $15,120,000.

School District of Elmbrook's Outstanding Debt
General Obligation Debt

	2025	2024
General obligation debt		
Bonds	$ 14,400,000	$ 19,080,000
Notes	720,000	1,065,000
Total general obligation debt	$ 15,120,000	$ 20,145,000

The District's general obligation debt decreased by $5,025,000 during the current fiscal year.

The District maintains an AAA rating from Moody's Investors Service for its general obligation debt.

State statutes limit the amount of general obligation debt the District may issue to 10% of its total equalized valuation. The current debt limitation for the District is $1,166,705,662, which is significantly in excess of the District's $15,120,000 in outstanding general obligation debt.

Factors Bearing on the District's Future

Since the 2012-13 school year, the School District of Elmbrook has consistently seen gains in annual enrollment. This growth is happening in a time where the District is no longer accepting pupils through the State Integration Program and on a very rare case still accepting pupil through the Open Enrollment program. The majority of growth since this time is due to resident enrollment increasing over that same time period. A five-year financial planning process aligned to the District's five-year strategic planning process assists in making sound long-term decisions.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Assistant Superintendent for Business Services at (262) 781-3030.

Additional information about the District and its services can also be found on the District's website at http://www.elmbrookschools.org.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and Investments	$ 34,331,081
Receivables:	
Taxes	20,616,741
Accounts	107,566
Other	110,475
Due from Other Governments	2,450,112
Inventories and Prepaid Items	736,815
Capital Assets:	
Nondepreciable	2,267,451
Depreciable, Net	94,168,519
Right-of-Use Assets, Net of Amortization	3,079,478
Total Assets	157,868,238
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Advance Refunding	224,699
Pension Related Amounts	27,464,992
Total Deferred Outflows of Resources	27,689,691
LIABILITIES	
Accounts Payable	547,501
Accrued and Other Current Liabilities	1,533,217
Accrued Interest Payable	71,730
Due to Other Governments	25,873
Due to Other Funds	135,000
Unearned Revenues	211,243
Deposits Payable	1,397,777
Health and Dental Claims Payable	1,881,138
Long-Term Obligations:	
Due in One Year	6,372,970
Due in More than One Year	11,770,006
Other Postemployment Benefits Liability:	
Due in One Year	671,202
Due in More than One Year	2,801,614
Net Pension Liability	5,043,101
Total Liabilities	32,462,372
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	14,727,530
Other Postemployment Related Amounts	8,270
Total Deferred Inflows of Resources	14,735,800
NET POSITION	
Net Investment in Capital Assets	82,239,099
Restricted	
Community Service	524,071
Donations restricted for student programs	1,374,413
Food Service	930,037
Debt Service	908,896
Capital Improvements	757,397
Unrestricted	51,625,844
Total Net Position	$ 138,359,757

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF ELMBROOK
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:				
Regular Instruction	$ 49,715,840	$ 699,695	$ 1,544,204	$ (47,471,941)
Vocational Instruction	1,848,997	-	22,537	(1,826,460)
Special Education Instruction	16,453,153	977,610	5,929,810	(9,545,733)
Other Instruction	6,086,662	1,116,935	1,381,509	(3,588,218)
Total Instruction	74,104,652	2,794,240	8,878,060	(62,432,352)
Support Services:				
Pupil Services	6,528,131	271,428	249,297	(6,007,406)
Instructional Staff Services	5,704,361	1,055	3,033,942	(2,669,364)
General Administration Services	1,307,387	-	-	(1,307,387)
School Administration Services	5,054,732	182,538	101,491	(4,770,703)
Business Services	1,233,884	-	635	(1,233,249)
Operations and Maintenance of Plant	17,390,662	191,322	43,704	(17,155,636)
Pupil Transportation Services	5,752,001	260,071	231,947	(5,259,983)
Food Services	3,401,340	2,857,156	693,635	149,451
Central Services	1,046,720	44,166	-	(1,002,554)
Insurance	1,067,066	-	55,021	(1,012,045)
Other Support Services	3,233,830	-	200	(3,233,630)
Total Support Services	51,720,114	3,807,736	4,409,872	(43,502,506)
Community Services	828,802	-	-	(828,802)
Nonprogram:				
General Tuition Payments	2,843,990	-	293,486	(2,550,504)
Special Education Tuition Payments	1,644,970	-	-	(1,644,970)
Voucher Payments	1,451,402	-	-	(1,451,402)
Independent Charter Schools	404,651	-	-	(404,651)
Revenue Transits to Others	16,364	168,173	-	151,809
Adjustments and Refunds	48,783	-	1,497,024	1,448,241
Total Nonprogram	6,410,160	168,173	1,790,510	(4,451,477)
Interest and Fiscal Charges	603,604	-	-	(603,604)
Total Governmental Activities	$ 133,667,332	$ 6,770,149	$ 15,078,442	(111,818,741)
GENERAL REVENUES				
Property Taxes				75,919,359
Other Taxes				1,155,454
State and Federal Aids not Restricted to Specific Functions				37,360,261
Interest and Investment Earnings				1,726,076
Gain on Disposal of Capital Assets				16,175
Miscellaneous				300,249
Total General Revenues				116,477,574
CHANGE IN NET POSITION				4,658,833
Net Position - July 1				133,700,924
NET POSITION - JUNE 30				$ 138,359,757

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF ELMBROOK
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Long-Term Capital Projects	Other Governmental Funds	Total
ASSETS				
Cash and Investments	$ 15,576,609	$ 14,002,114	$ 4,752,358	$ 34,331,081
Receivables:				
Taxes	20,616,741	-	-	20,616,741
Accounts	107,566	-	-	107,566
Other	9,900	100,575	-	110,475
Due from Other Funds	-	3,518,578	-	3,518,578
Due from Other Governments	2,438,054	-	12,058	2,450,112
Inventories and Prepaid Items	701,258	-	35,557	736,815
Total Assets	$ 39,450,128	$ 17,621,267	$ 4,799,973	$ 61,871,368
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 431,677	$ 79,907	$ 35,917	$ 547,501
Accrued and Other Current Liabilities	1,511,198	-	22,019	1,533,217
Due to Other Funds	3,653,578	-	-	3,653,578
Due to Other Governments	25,873	-	-	25,873
Unearned Revenues	35,750	-	175,493	211,243
Deposits Payable	1,397,777	-	-	1,397,777
Health and Dental Claims Payable	1,881,138	-	-	1,881,138
Total Liabilities	8,936,991	79,907	233,429	9,250,327
FUND BALANCES				
Nonspendable	701,258	-	35,557	736,815
Restricted	-	-	4,530,987	4,530,987
Committed	2,200,000	-	-	2,200,000
Assigned	8,793,416	17,541,360	-	26,334,776
Unassigned	18,818,463	-	-	18,818,463
Total Fund Balances	30,513,137	17,541,360	4,566,544	52,621,041
Total Liabilities and Fund Balances	$ 39,450,128	$ 17,621,267	$ 4,799,973	$ 61,871,368

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF ELMBROOK
RECONCILIATION TO THE STATEMENT OF NET POSITION —
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances as Shown on Previous Page	$ 52,621,041
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	96,435,970
Right-of-use assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	3,079,478
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Loss on Advance Refunding	224,699
Deferred Outflows Related to Pensions	27,464,992
Deferred Inflows Related to Pensions	(14,727,530)
Deferred Inflows Related to Other Postemployment Benefits	(8,270)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(15,120,000)
Premium on Debt	(25,523)
Lease Liability - Right-of-Use	(2,264,324)
Compensated Absences	(733,129)
Other Postemployment Benefits Liability	(3,472,816)
Net Pension Liability	(5,043,101)
Accrued Interest on Long-Term Obligations	(71,730)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see Page 12)	$ 138,359,757

See accompanying Notes to Basic Financial Statements.

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

	General	Long-Term Capital Projects	Other Governmental Funds	Totals
REVENUES				
Property Taxes	$ 69,960,418	$ -	$ 5,958,941	$ 75,919,359
Other Local Sources	4,505,672	641,403	5,295,295	10,442,370
Interdistrict Sources	1,932,365	-	-	1,932,365
Intermediate Sources	60,820	-	-	60,820
State Sources	44,255,533	-	21,979	44,277,512
Federal Sources	3,389,852	-	666,322	4,056,174
Other Sources	398,468	30,000	4,651	433,119
Total Revenues	124,503,128	671,403	11,947,188	137,121,719
EXPENDITURES				
Instruction:				
Regular Instruction	48,546,818	-	164,535	48,711,353
Vocational Instruction	1,909,623	-	6,115	1,915,738
Special Education Instruction	16,085,502	-	-	16,085,502
Other Instruction	4,195,208	-	1,800,419	5,995,627
Total Instruction	70,737,151	-	1,971,069	72,708,220
Support Services:				
Pupil Services	6,425,146	-	-	6,425,146
Instructional Staff Services	5,511,755	-	26,992	5,538,747
General Administration Services	1,289,844	-	-	1,289,844
School Administration Services	4,915,444	-	21,374	4,936,818
Business Services	1,198,564	-	797	1,199,361
Operations and Maintenance of Plant	13,463,717	1,587,955	908,621	15,960,293
Pupil Transportation Services	5,348,857	-	105,472	5,454,329
Food Services	-	-	3,822,327	3,822,327
Central Services	875,302	-	206	875,508
Insurance	1,036,861	1,130	25,441	1,063,432
Other Support Services	3,154,798	-	5,847	3,160,645
Total Support Services	43,220,288	1,589,085	4,917,077	49,726,450
Debt Service:				
Principal	571,821	-	5,025,000	5,596,821
Interest and Fiscal Charges	182,716	-	390,182	572,898
Total Debt Service	754,537	-	5,415,182	6,169,719
Community Service	-	-	828,802	828,802
Nonprogram:				
General Tuition Payments	2,843,990	-	-	2,843,990
Special Education Tuition Payments	1,644,970	-	-	1,644,970
Adjustments and Refunds	48,783	-	-	48,783
Voucher Payments	1,451,402	-	-	1,451,402
Independent Charter Schools	404,651	-	-	404,651
Revenue Transits to Others	229,623	-	3,079	232,702
Total Nonprogram	6,623,419	-	3,079	6,626,498
Total Expenditures	121,335,395	1,589,085	13,135,209	136,059,689

See accompanying Notes to Basic Financial Statements.

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

	General	Long-Term Capital Projects	Other Governmental Funds	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 3,167,733	$ (917,682)	$ (1,188,021)	$ 1,062,030
OTHER FINANCING SOURCES (USES)				
Right-to-Use Lease Issued	1,497,024	-	-	1,497,024
Proceeds from Sale of Capital Assets	31,374	-	-	31,374
Transfers In	-	3,518,578	-	3,518,578
Transfers Out	(3,518,578)	-	-	(3,518,578)
Total Other Financing Sources (Uses)	(1,990,180)	3,518,578	-	1,528,398
NET CHANGE IN FUND BALANCES	1,177,553	2,600,896	(1,188,021)	2,590,428
Fund Balances - July 1	29,335,584	14,940,464	5,754,565	50,030,613
FUND BALANCES - JUNE 30	$ 30,513,137	$ 17,541,360	$ 4,566,544	$ 52,621,041

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF ELMBROOK
RECONCILIATION TO THE STATEMENT OF ACTIVITIES –
GOVERNEMENTAL FUNDS
JUNE 30, 2025

Net Change in Fund Balances as Shown on Previous Page	$ 2,590,428
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation\amortization expense.	
Capital Assets Reported as Capital Outlay Reported in Governmental Fund Statements	5,685,019
Depreciation Expense Reported in the Statement of Activities	(5,042,079)
Amortization expense on right-of-use assets Reported in the Statement of Activities	(629,808)
Net Book Value of Disposals	(338,132)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal Repaid on Long-Term Obligations	5,025,000
Increase in Lease Payable - Right -of-Use	(1,497,024)
Principal Repaid on Leases Payable - Right-of-Use	571,821
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued Interest on Long-Term Debt	23,613
Amortization of Premiums, Discounts, and Loss on Advance Refunding	(54,319)
Compensated Absences	(527,608)
Net Pension Liability	(329,068)
Deferred Outflows of Resources Related to Pensions	(12,591,426)
Deferred Inflows of Resources Related to Pensions	10,469,801
Other Postemployment Benefits	1,305,500
Deferred Inflows of Resources Related to Other Postemployment Benefits	(2,885)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see Page 13)	$ 4,658,833

See accompanying Notes to Basic Financial Statements.

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

	Employee Benefit Trust
ASSETS	
Cash and Investments	$ 8,563,432
Due from Other Funds	135,000
Total Assets	8,698,432
LIABILITIES	
Accounts Payable	5,723
Other Deposits Payable	7,941,198
Total Liabilities	7,946,921
NET POSITION	
Restricted	$ 751,511

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF ELMBROOK
STATEMENTS OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Employee Benefit Trust
ADDITIONS	
Contributions:	
Employer	$ 770,680
Investment Earnings	19,138
Other Sources	192,175
Total Additions	981,993
DEDUCTIONS	
Trust Fund Disbursements	717,725
CHANGE IN NET POSITION	264,268
Net Position - July 1	487,243
NET POSITION - JUNE 30	$ 751,511

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 four 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. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are primarily supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Long Term Capital Project Fund – used to account for future capital improvements approved by the long-term capital improvement plan at the district

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. District-Wide and Fund Financial Statements (Continued)

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.

Donations Fund
Food Service Fund
Community Service Fund

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

Debt Service Funds – used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Additionally, the District reports the following fund types:

- The employee benefit trust fund is a fiduciary fund used to account for resources legally held in trust for other postemployment benefits.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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 180 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

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.

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

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. 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.

2. Property Taxes

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 sixty days of fiscal year-end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

3. Accounts Receivable

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements.

5. Inventories and Prepaid Items

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased. Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the period benefited.

Inventories and prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Capital Assets

Capital assets, which include property, plant, furnishings, and equipment, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the District are depreciated\amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Site Improvements	20
Buildings	45
Furniture and Equipment	5 - 20
Computer and Related Technology	5

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets (Continued)

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.

7. 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.

8. Deferred Outflows/Inflows of Resources

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

9. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Leases

At the commencement of a lease, the District determines based on the criteria dictated in GASB Statement No. 87 – *Leases*, if the lease is a financed purchased or a right to use lease liability. Then the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the District capital assets as land, land improvements, buildings and improvements or furniture and equipment.

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

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

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

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

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Leases (Continued)

The District monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

11. Pension

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

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

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

12. Other Postemployment Benefits Other Than Pensions (OPEB)

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

13. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance**. Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance**. Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.
- The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

District-Wide Financial Statements

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

- **Net Investment in Capital Assets**. Amount of capital assets, net of accumulated depreciation\amortization, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates

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

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the fiduciary fund uses separate and distinct accounts. 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”.

The carrying amount of the District’s cash and investments totaled $42,894,513 on June 30, 2025 as summarized below:

Petty Cash and Cash on Hand	$	4,205
Deposits with Financial Institutions		1,203,351
Investments:		
Fixed Interest Annuities		7,941,198
U.S. Treasuries		3,994,952
Wisconsin Investment Cooperative Series		29,750,522
Wisconsin Local Government Investment Pool		285
Total	$	42,894,513

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:		
Cash and Investments	$	34,331,081
Fiduciary Fund Statement of Net Position:		
Private Purpose Trust		8,563,432
Total	$	42,894,513

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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 currently has no investments that are subject to fair value measurement.

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.

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.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
U.S. Treasuries	$ 3,994,952	$ 3,994,952	$ -	$ -	$ -
Wisconsin Investment Series Cooperative	29,750,522	-	-	-	29,750,522
Wisconsin Local Government Investment Pool	285	-	-	-	285
Totals	$ 33,745,759	$ 3,994,952	$ -	$ -	$ 29,750,807

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

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. As of June 30, 2025, the Wisconsin local government investment pool had a weighted average maturity of 3 days.

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:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasuries	$ 3,994,952	$ 3,994,952	$ -	$ -	$ -
Wisconsin Investment Series Cooperative	29,750,522	29,750,522	-	-	-
Wisconsin Local Government Investment Pool	285	285	-	-	-
Totals	$ 33,745,759	$ 33,745,759	$ -	$ -	$ -

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investments

The District has established an employee benefit trust fund to pay HRA benefits. The trust has $7,941,198 invested in the fixed interest annuities with American United Life Insurance Company ® (AUL), a OneAmerica® company. These fixed interest annuities are backed by AUL's general account assets and carried at amortized cost. AUL bears the investment risk for the AUL Fixed Interest Account values and for paying interest.

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of $33,745,474 at year-end consisting of $7,792,700 invested in the Cash Management Series and $21,957,823 invested in the Investment Series, and $3,944,952 invested in individual US Treasuries. 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.

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin Local Government Investment Pool (LGIP) of $285 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2025, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 1,981,306	$ -	$ -	$ 1,981,306
Construction in Progress	503,253	264,442	481,550	286,145
Total Capital Assets, Nondepreciable	2,484,559	264,442	481,550	2,267,451
Capital Assets, Depreciable\Amortizable:				
Buildings and Improvements	161,432,773	3,313,884	2,113,194	162,633,463
Furniture and Equipment	7,094,538	1,091,218	353,318	7,832,438
Leased Assets (Right of Use)	3,446,736	1,497,025	705,323	4,238,438
Subtotals	171,974,047	5,902,127	3,171,835	174,704,339
Less: Accumulated Depreciation\Amortization				
Buildings and Improvements	69,204,836	4,659,870	1,817,444	72,047,262
Machinery and Equipment	4,178,847	382,209	310,936	4,250,120
Leased Assets (Right of Use)	1,234,475	629,808	705,323	1,158,960
Subtotals	74,618,158	5,671,887	2,833,703	77,456,342
Total Capital Assets, Depreciable\Amortizable, Net	97,355,889	230,240	338,132	97,247,997
Governmental Activities Capital Assets, Net	$ 99,840,448	$ 494,682	$ 819,682	99,515,448
Less: Capital Related Debt				15,120,000
Less: Right-of-Use Lease Payable				2,264,324
Less: Capital and Retainage Payable				91,201
Less: Debt Premium				25,523
Add: Loss on Advance Refunding				224,699
Net Investment in Capital Assets				$ 82,239,099

Amortization and depreciation expense was charged to functions of the District as follows:

	Depreciation	Amortization	Total
Governmental Activities			
Regular Instruction	$ 4,480	$ 250,686	$ 255,166
Vocational Instruction	13,556	-	13,556
Special education instruction	-	180,867	180,867
Other Instruction	3,503	-	3,503
Instructional Staff Services	17,503	-	17,503
School Administration Services	6,100	2,434	8,534
Business Services	367	-	367
Operations and Maintenance of Plant	4,613,382	11,267	4,624,649
Pupil Transportation Services	21,802	-	21,802
Food Services	139,838	-	139,838
Central Services	155,684	-	155,684
Other Support Services	65,864	184,554	250,418
Total Depreciation and Amortization Expense - Governmental Activities	$ 5,042,079	$ 629,808	$ 5,671,887

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Transactions

Interfund transfers for the year ended June 30, 2025 were as follows:

Fund	Transfer In	Transfer Out
General	$ -	$ 3,518,578
Long-Term Capital Projects	3,518,578	-
Total	$ 3,518,578	$ 3,518,578

Interfund transfers were made for the following purposes:

Transfer from General Fund for Future Capital Improvements	$ 3,518,578

The above interfund transfer is included as a due from other funds in the Long-Term Capital Projects Fund and a due to other funds in the General Fund as of June 30, 2025.

D. Short- Term Obligations

The District issued a tax anticipation note in advance of property tax collections. The note is needed as District expenses begin in July whereas tax collections are not received until January. Short-term debt activity for the year ended June 30, 2025 was as follows:

	Outstanding 7/1/24	Issued	Retired	Outstanding 6/30/25
Tax and Revenue Anticipation Notes	$ -	$ 11,000,000	$ 11,000,000	$ -

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:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Bonds	$ 19,080,000	$ -	$ 4,680,000	$ 14,400,000	$ 4,765,000
Notes	1,065,000	-	345,000	720,000	355,000
Total General Obligation Debt	20,145,000	-	5,025,000	15,120,000	5,120,000
Debt Premium	52,915	-	27,392	25,523	-
Lease Liability - Right to Use	1,339,121	1,497,024	571,821	2,264,324	519,841
Compensated Absences	205,521	527,608	-	733,129	733,129
Governmental Activities Long-Term Obligations	$ 21,742,557	$ 2,024,632	$ 5,624,213	$ 18,142,976	$ 6,372,970

Total interest paid during the year on long-term debt totaled $387,728.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/25
General Obligation Notes	04/10/17	04/10/27	1.50% -2.00%	$ 3,235,000	$ 720,000
General Obligation Bonds	06/18/15	06/18/28	2.00% - 2.75%	4,550,000	4,160,000
General Obligation Bonds	05/13/16	05/03/27	1.50% - 2.00%	7,620,000	3,600,000
General Obligation Bonds	02/02/22	04/01/28	1.00% - 1.70%	8,910,000	6,640,000
Total Outstanding General Obligation Debt					$ 15,120,000

Annual principal and interest maturities of the outstanding general obligation debt of $15,120,000 on June 30, 2025 are detailed below:

	Governmental Activities		
Year Ended June 30,	Principal	Interest	Total
2026	$ 5,120,000	$ 291,701	$ 5,411,701
2027	5,220,000	209,943	5,429,943
2028	4,780,000	109,820	4,889,820
Total	$ 15,120,000	$ 611,464	$ 15,731,464

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2025 was $1,166,705,662 as follows:

Equalized Valuation of the District	$ 11,818,256,620
Statutory Limitation Percentage	(x) 10%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	1,181,825,662
Less: Current GO Debt	15,120,000
Legal Margin for New Debt	$ 1,166,705,662

F. Leases

During the current year, the District entered into four new right-to-use lease arrangement for buildings and equipment. An initial lease liability was recorded in the amount of $1,497,024 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.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (Continued)

The District leases land improvements, buildings, vehicles and various equipment under long-term noncancelable leases. The future minimum lease payments for these agreements are as follows:

	Governmental Activities		
Year Ended June 30,	Principal	Interest	Total
2026	$ 519,841	$ 35,067	$ 554,908
2027	535,588	29,162	564,750
2028	555,389	18,259	573,648
2029	92,806	11,762	104,568
2030	52,913	10,734	63,647
2031-2035	311,016	36,165	347,181
2036-2040	102,680	13,478	116,158
2041-2045	94,091	4,964	99,055
Total	$ 2,264,324	$ 159,591	$ 2,423,915

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 - Land Improvements	$ 1,352,075
Leased Asset - Buildings	2,247,044
Leased Asset - Vehicles	65,133
Leased Asset - Equipment	574,186
Subtotal	4,238,438
Less: Accumulated Amortization	(1,158,960)
Total	$ 3,079,478

G. Pension Plan

WRS Pension Plan Description

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

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

WRS Pension Plan Description (Continued)

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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 Ending June 30,	Core Fund Adjustment	Variable Fund Adjustment
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions

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

During the reporting period ending June 30, 2025, the WRS recognized $4,339,537 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%

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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 $5,043,101 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 0.30691376%, which was a decrease of 0.01014400% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized a pension expense of $6,797,805.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 15,661,589	$ 14,716,981
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	7,663,258	-
Changes in Assumptions	1,496,386	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	50,682	10,549
Employer Contributions Subsequent to the Measurement Date	2,593,077	-
Total	$ 27,464,992	$ 14,727,530

The $2,593,077 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 ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Expense
2026	$ 3,057,873
2027	10,465,646
2028	(2,579,119)
2029	(800,015)
Total	$ 10,144,385

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

Actuarial Assumptions

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

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

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0	6.1	3.4
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
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 Plan (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)	$ 47,310,873	$ 5,043,101	$ (24,986,938)

Payable to the Pension Plan

The District reported a payable of $1,230,450 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2025.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits

Plan Description

The Plan is a single-employer defined benefit postemployment health and life insurance plan that covers retired employees of the District. Eligible retired employees have access to group medical coverage and life insurance coverage through the District's group plan. District paid medical benefits and life insurance coverage are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

The District shall make contributions to individual HRA accounts based upon years of service or pay 75% of the medical premium for the retiree. The District will provide life insurance coverage for eligible employees.

Employees Covered by Benefit Terms

At January 1, 2025, the following plan participants were covered by the benefit terms:

Retirees (Medical)	53
Retirees (Life Insurance)	441
Active Employees (Participants in Tier 1)	9
Total	503

The actuary assumed no material changes in the participant data between June 30, 2025 and July 1, 2023 (actuarial valuation date).

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Eligibility Requirements and Benefits

Teacher	Age & Years of Service eligibility	52 years old by August 31, 2015; 10 years service
		Up to 5 years health insurance ending at age 65- retiree pays 25% of premium rate. All staff that are 59 have choose to retire w/ 5 yrs of district health insurance or payment of $12,000 in HRA for up to 5 yrs or age 65 to max of $60,000. For those not age 59 after the 5 yrs, at end of year that staff turns 59 yrs old and has 17 years of service they must choose retirement option, once chosen cannot change.
	Benefit retirement eligibility	Age 59 and 17 years of Elmbrook experience
Administrator	Age & Years of Service eligibility	52 years old by August 31, 2015; 10 years service
		Up to 5 years health insurance ending at age 65- retiree pays 25% of premium rate. All staff that are 59 have choose to retire w/ 5 yrs of district health insurance or payment of $12,000 in HRA for up to 5 yrs or age 65 to max of $60,000. For those not age 59 after the 5 yrs, at end of year that staff turns 59 yrs old and has 17 years of service they must choose retirement option, once chosen cannot change.
	Benefit retirement eligibility	Age 59 and 17 years of Elmbrook experience
Special Category - Leadership	Age & Years of Service eligibility	52 years old by August 31, 2015; 10 years service
		Up to 5 years health insurance ending at age 65- retiree pays 25% of premium rate. All staff that are 59 have choose to retire w/ 5 yrs of district health insurance or payment of $12,000 in HRA for up to 5 yrs or age 65 to max of $60,000. For those not age 59 after the 5 yrs, at end of year that staff turns 59 yrs old and has 17 years of service they must choose retirement option, once chosen cannot change.
	Benefit retirement eligibility	Age 59 and 17 years of Elmbrook experience
Special Category - Confidential	Age & Years of Service eligibility	52 years old by August 31, 2015; 10 years service
		Up to 5 years health insurance ending at age 65- retiree pays 25% of premium rate. All staff that are 59 have choose to retire w/ 5 yrs of district health insurance or payment of $12,000 in HRA for up to 5 yrs or age 65 to max of $60,000. For those not age 59 after the 5 yrs, at end of year that staff turns 59 yrs old and has 17 years of service they must choose retirement option, once chosen cannot change.
	Benefit retirement eligibility	Age 59 and 17 years of Elmbrook experience
Support/ Other	Age & Years of Service eligibility	52 years old by August 31, 2015; 10 years service
		Up to 5 years health insurance ending at age 65- retiree pays 25% of premium rate. All staff that are 59 have choose to retire w/ 5 yrs of district health insurance or payment of $12,000 in HRA for up to 5 yrs or age 65 to max of $60,000. For those not age 59 after the 5 yrs, at end of year that staff turns 59 yrs old and has 17 years of service they must choose retirement option, once chosen cannot change.
	Benefit retirement eligibility	Age 59 and 17 years of Elmbrook experience
The District shall provide eligible retirees life insurance coverage at the employees' last salary level to age 65. The percent of coverage will drop to 75% at age 65, 50% at age 66 and 25% or ages 67 and older. This benefit is only available to participants who retired prior to July 1, 2014. No dental benefits are provided for future retirees.		

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to the measurement date.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	July 1, 2023
Actuarial Cost Method:	Entry Age Normal, Level Dollar
Asset Valuation Method:	Market Value
Salary Increases:	
Merit and Longevity	0.2% to 5.6%, Based on Years of Service
Inflation	2.28%
Discount Rate:	5.20%
Investment Rate of Return:	3.00%
Healthcare Cost Trend Rates:	2025 - 5.80%
	2026 - 5.40%
	Decreasing to an Ultimate Rate of 3.70%

Mortality rates are based on the Wisconsin 2020 Mortality Table as the base table with and project future improvements with 2021 generational improvement scale, as adopted by Employee Trust Funds Board in connection with the 2018-2020 Experience Study.

Actuarial assumptions used in the July 1, 2023 valuation were based on the “Wisconsin Retirement System 2018 - 2020 Experience Study” that covered a three-year period from January 1, 2018 to December 31, 2020.

The long-term expected rate of return on OPEB plan investments was valued at 3.00%. A blend of expected earnings on District funds and the current yield for 20 year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

Discount Rate

The discount rate is based upon the expected return of assets set aside in the Trust to pay benefits and investments from the general account of the District for the funding policy using a depletion date calculation. The Plan’s fiduciary net position was not projected to be available to make all projected benefit payments of current active and inactive employees. Since the Trust has less than one year of benefit payments, the discount rate used of 5.20% represents the 20-Year GO Index from Bond Buyer at the measurement date of June 30, 2025, and represents an increase of 1.27% since the previous measurement date.

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2024	$ 5,265,559	$ 487,243	$ 4,778,316
Changes for the Year:			
Service Cost	11,387	-	11,387
Interest	196,731	-	196,731
Differences Between Expected and Actual Experience	(244,282)	-	(244,282)
Effect of Changes in Assumptions	(457,668)	-	(457,668)
Contributions - Employer	-	600,355	(600,355)
Net Investment Income	-	19,138	(19,138)
Other	-	192,175	(192,175)
Benefit Payments	(547,400)	(547,400)	-
Net Changes	(1,041,232)	264,268	(1,305,500)
Balance at June 30, 2025	$ 4,224,327	$ 751,511	$ 3,472,816

The differences between expected and actual experience and the effect of changes in assumptions are recognized in the current year, as the average remaining service life for all active and inactive members is considered one year.

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 (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease to Discount Rate (4.20%)	Current Discount Rate (5.20%)	1% Increase to Discount Rate (6.20%)
Net OPEB Liability	$ 3,825,920	$ 3,472,816	$ 3,167,243

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease Current Trend Rates	Healthcare Cost Current Trend Rates	1% Increase Current Trend Rates
Net OPEB Liability	$ 3,460,108	$ 3,472,816	$ 3,485,681

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment 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. Plan fiduciary net position was 17.79% of the total OPEB liability.

Investment Policy and Assumed Asset Allocation

Investments

The Plan does not have a separate investment policy from the District. At June 30, 2025, the Plan had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Plan investments. The Plan's investments at June 30, 2025 consist entirely of deposits in the Cash Management Series with the Wisconsin Investment Series Cooperative. The asset allocation policy is to invest entirely in cash and short-term investments.

Money Weighted ROR

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 3.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Asset Allocation %	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Rate of Return %
Cash:			
Citigroup 90-Day T-Bills	100.00%	0.83%	0.80%
Assumed Inflation - Mean		2.28%	2.28%
Portfolio Real Mean Return		0.83%	0.80%
Portfolio Nominal Mean Return		3.11%	3.10%
Portfolio Standard Deviation		1.14%	1.14%
Long-term Expected Rate of Return			3.00%

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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 revenue of $510,085. 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
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ 8,270
Total	$ -	$ 8,270

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 Ended June 30,	Expense
2026	$ 1,895
2027	3,080
2028	2,550
2029	745
Total	$ 8,270

I. Fund Equity

Nonspendable Fund Balance

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

	General	Food Service Special Revenue
Nonspendable		
Inventories and Prepaid Items	$ 701,258	$ 35,557

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Restricted Fund Balance

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

Special Revenue Funds:	
Restricted for:	
Community Service	$ 524,071
Expendable Gifts	1,374,413
Food Service	894,480
Capital Projects Funds:	
Restricted for:	
Capital Projects	757,397
Debt Service Funds:	
Restricted for:	
Debt Service	980,626
Total Restricted Fund Balance	$ 4,530,987

Committed Fund Balance

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

General Fund:	
Committed for:	
Self-Funded Health Insurance	$ 2,000,000
Health Reimbursement Obligations	200,000
Total General Fund Committed Fund Balance	$ 2,200,000

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At June 30, 2025, fund balance was assigned as follows:

General Fund:	
Assigned for:	
Common School Fund	$ 31,055
Capital Projects	8,762,361
Total	8,793,416
Long-Term Capital Projects:	
Assigned for Subsequent Year's Expenditures	17,541,360
Total	$ 26,334,776

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy of 15% of subsequent year budgeted expenditures for the General Fund, Special Education Fund, Food Service Fund and Community Service Fund, less transfers between funds and amounts set aside for nonspendable fund balance for prepaid expenses. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2025-2026 Expenditures (Less Transfers & Prepaid Expenses)	$ 129,591,128
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	$ 19,438,669

The District's unassigned and nonspendable General Fund balance as of June 30, 2025 was $19,519,721.

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.

Self-funded Insurance Program

On September 1, 1988 the District established a self-funded health and dental plan for its employees. The plan administrators, Humana and Delta Dental are responsible for the approval, processing, and payments of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending December 31.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District.

As part of the workman's compensation coverage of the Plan, the District purchases stop-loss coverage, which pays claims in excess of $250,000 per individual and/or 125% of the annual estimated claims. The District has no stop-loss coverage for dental care coverage of the Plan.

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Self-funded Insurance Program (Continued)

At June 30, 2025, the District has reported a liability of $1,881,138 which represents reported and unreported claims which were incurred on or before June 30, 2024, but were not paid by the District as of that date. The amounts not reported to the District were determined by the Plan administrator. Changes in the claims liability for the years ended June 30, 2024 and June 30, 2025 are as follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2024	$ 1,407,740	$ 14,964,558	$ 14,826,935	$ 1,545,363
2025	1,545,363	15,904,508	15,568,733	1,881,138

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.

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. Subsequent Events

On October 21, 2025 the District issued a $9,000,000 tax and revenue anticipation promissory note. The Note has an effective date of October 21, 2025 is due November 1, 2026 with an interest rate of 5.25%. 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

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property Taxes	$ 69,960,418	$ 69,960,418	$ 69,960,418	$ -
Other Local Sources	3,133,340	3,133,340	4,505,672	1,372,332
Interdistrict Sources	875,191	875,191	985,759	110,568
Intermediate Sources	24,043	24,043	29,816	5,773
State Sources	38,622,646	38,622,646	38,754,617	131,971
Federal Sources	1,179,830	1,179,830	984,904	(194,926)
Other Sources	162,064	162,064	397,968	235,904
Total Revenues	113,957,532	113,957,532	115,619,154	1,661,622
EXPENDITURES				
Instruction:				
Regular Instruction	48,993,626	48,993,626	48,546,818	446,808
Vocational Instruction	1,896,173	1,896,173	1,909,623	(13,450)
Other Instruction	4,148,585	4,148,585	4,186,925	(38,340)
Total Instruction	55,038,384	55,038,384	54,643,366	395,018
Support Services:				
Pupil Services	3,856,067	3,856,067	3,820,614	35,453
Instructional Staff Services	5,222,330	5,222,330	4,905,687	316,643
General Administration Services	1,267,154	1,267,154	1,239,257	27,897
School Administration Services	4,849,419	4,849,419	4,872,453	(23,034)
Business Services	1,433,420	1,433,420	1,190,647	242,773
Operations and Maintenance of Plant	11,613,396	11,613,396	13,236,838	(1,623,442)
Pupil Transportation Services	4,562,855	4,562,855	4,456,345	106,510
Central Services	989,721	989,721	862,619	127,102
Insurance	910,540	910,540	896,580	13,960
Other Support Services	2,370,587	2,370,587	3,154,798	(784,211)
Total Support Services	37,075,489	37,075,489	38,635,838	(1,560,349)
Debt Service:				
Principal	514,477	514,477	548,819	(34,342)
Interest and Fiscal Charges	150,500	150,500	181,183	(30,683)
Total Debt Service	664,977	664,977	730,002	(65,025)
Nonprogram:				
General Tuition Payments	2,845,121	2,845,121	2,843,990	1,131
Adjustments and Refunds	10,000	10,000	48,069	(38,069)
Voucher Payments	1,441,138	1,441,138	1,451,402	(10,264)
Independent Charter Schools	445,702	445,702	404,651	41,051
Revenue Transits to Others	12,600	12,600	16,364	(3,764)
Total Nonprogram	4,754,561	4,754,561	4,764,476	(9,915)
Total Expenditures	97,533,411	97,533,411	98,773,682	(1,240,271)
EXCESS OF REVENUES OVER EXPENDITURES	16,424,121	16,424,121	16,845,472	421,351
OTHER FINANCING SOURCES (USES)				
Right-to-Use Lease Issued	-	-	1,497,024	1,497,024
Proceeds from Sale of Capital Assets	25,000	25,000	31,374	6,374
Transfers Out	(16,449,121)	(16,449,121)	(17,196,317)	(747,196)
Total Other Financing Sources (Uses)	(16,424,121)	(16,424,121)	(15,667,919)	756,202
NET CHANGE IN FUND BALANCE	-	-	1,177,553	1,177,553
Fund Balance - July 1	29,335,584	29,335,584	29,335,584	-
FUND BALANCE - JUNE 30	$ 29,335,584	$ 29,335,584	$ 30,513,137	$ 1,177,553

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interdistrict Sources	$ 962,656	$ 962,656	$ 946,606	$ (16,050)
Intermediate Sources	10,000	10,000	31,004	21,004
State Sources	5,927,805	5,927,805	5,500,916	(426,889)
Federal Sources	2,311,990	2,311,990	2,404,948	92,958
Other Sources	900	900	500	(400)
Total Revenues	9,213,351	9,213,351	8,883,974	(329,377)
EXPENDITURES				
Instruction:				
Special Education Instruction	15,855,851	15,855,851	16,085,502	(229,651)
Other Instruction	11,934	11,934	8,283	3,651
Total Instruction	15,867,785	15,867,785	16,093,785	(226,000)
Support Services:				
Pupil Services	2,592,563	2,592,563	2,604,532	(11,969)
Instructional Staff Services	624,832	624,832	606,068	18,764
General Administration Services	40,000	40,000	50,587	(10,587)
School Administration Services	42,003	42,003	42,991	(988)
Business Services	8,840	8,840	7,917	923
Operation and Maintenance of Plant	243,900	243,900	226,879	17,021
Pupil Transportation Services	852,861	852,861	892,512	(39,651)
Central Services	17,200	17,200	12,683	4,517
Insurance	120,881	120,881	140,281	(19,400)
Other Support Services	-	-	-	-
Total Support Services	4,543,080	4,543,080	4,584,450	(41,370)
Debt Service:				
Principal	41,535	41,535	23,002	18,533
Interest and Fiscal Charges	-	-	1,533	(1,533)
Total Debt Service	41,535	41,535	24,535	17,000
Community Service	-	-	-	-
Nonprogram:				
Special Education Tuition Payments	1,488,177	1,488,177	1,644,970	(156,793)
Adjustments and Refunds	-	-	714	(714)
Revenue Transits to Others	275,565	275,565	213,259	62,306
Total Nonprogram	1,763,742	1,763,742	1,858,943	(95,201)
Total Expenditures	22,216,142	22,216,142	22,561,713	(345,571)
Excess of Revenues Under Expenditures	(13,002,791)	(13,002,791)	(13,677,739)	(674,948)
OTHER FINANCING SOURCES				
Transfers In	13,002,791	13,002,791	13,677,739	674,948
Total Other Financing Sources (Uses)	13,002,791	13,002,791	13,677,739	674,948
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - July 1	-	-	-	-
FUND BALANCE - JUNE 30	$ -	$ -	$ -	$ -

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Cost	$ 11,387	$ 32,538	$ 31,196	$ 58,960	$ 57,348	$ 63,685	$ 50,978	$ 51,150	$ 104,273
Interest	196,731	208,984	230,203	169,473	192,543	252,881	318,972	240,053	250,147
Differences Between Expected and Actual Experience	-	-	206,247	750,404	50,998	1,702,041	(86,344)	2,972,273	-
Changes of Assumptions	(701,950)	(46,490)	(14,907)	(1,131,540)	36,446	975,847	216,447	(191,458)	(539,715)
Benefit Payments	(547,400)	(1,233,932)	(1,229,339)	(1,100,543)	(1,308,896)	(1,685,657)	(1,375,285)	(1,693,010)	(1,974,620)
Net Change in Total OPEB Liability	(1,041,232)	(1,038,900)	(776,600)	(1,253,246)	(971,561)	1,308,797	(875,232)	1,379,008	(2,159,915)
Total OPEB Liability - Beginning	5,265,559	6,304,459	7,081,059	8,334,305	9,305,866	7,997,069	8,872,301	7,493,293	9,653,208
Total OPEB Liability - Ending (a)	$ 4,224,327	$ 5,265,559	$ 6,304,459	$ 7,081,059	$ 8,334,305	$ 9,305,866	$ 7,997,069	$ 8,872,301	$ 7,493,293
Plan Fiduciary Net Position									
Contributions - Employer	$ 600,355	$ 1,293,701	$ 818,276	$ 804,396	$ 946,854	$ 1,847,235	$ 1,216,340	$ 1,641,180	$ 1,909,856
Net Investment Income	19,138	17,626	10,165	357	99	674	2,469	2,557	-
Other Income	192,175	127,239	-	-	-	-	-	-	-
Benefit Payments	(547,400)	(1,233,932)	(875,027)	(774,227)	(889,153)	(1,685,657)	(1,375,285)	(1,693,010)	(1,974,264)
Net Change in Plan Fiduciary Net Position	264,268	204,634	(46,586)	30,526	57,800	162,252	(156,476)	(49,273)	(64,408)
Plan Fiduciary Net Position - Beginning	487,243	282,609	329,195	298,669	240,869	78,617	235,093	284,366	348,774
Plan Fiduciary Net Position - Ending (b)	$ 751,511	$ 487,243	$ 282,609	$ 329,195	$ 298,669	$ 240,869	$ 78,617	$ 235,093	$ 284,366
District's Net OPEB Liability - Ending (a) - (b)	$ 3,472,816	$ 4,778,316	$ 6,021,850	$ 6,751,864	$ 8,035,636	$ 9,064,997	$ 7,918,452	$ 8,637,208	$ 7,208,927
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.79%	9.25%	4.48%	4.65%	3.58%	2.59%	0.98%	2.65%	3.79%
Covered-Employee Payroll	$ 610,607	$ 937,825	$ 1,139,586	$ 2,117,713	$ 2,830,226	$ 2,980,193	$ 4,130,387	$ 4,130,387	$ 6,751,401
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	568.75%	509.51%	528.42%	318.83%	283.92%	304.17%	191.71%	209.11%	106.78%
Annual Weighted Money-Weighted Rate of Return Net of Investment Expenses	3.09%	4.60%	3.40%	0.11%	0.04%	0.41%	1.65%	1.00%	0.11%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end. Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	$ 518,909	$ 661,217	$ 689,299	$ 775,809	$ 475,148	$ 496,451	$ 544,587	$ 448,878	$ 524,055
Contributions in Relation to the ADC	375,623	1,081,157	818,276	804,396	946,854	1,847,235	1,216,340	1,641,180	1,909,856
Contribution Deficiency (Excess)	$ 143,286	$ (419,940)	$ (128,977)	$ (28,587)	$ (471,706)	$ (1,350,784)	$ (671,753)	$ (1,192,302)	$ (1,385,801)
Covered-Employee Payroll	$ 610,607	$ 937,825	$ 1,139,586	$ 2,117,713	$ 2,830,226	$ 2,980,193	$ 3,842,286	$ 4,130,387	$ 6,751,401
Contributions as a Percentage of Covered-Employee Payroll	61.52%	115.28%	71.80%	37.98%	33.46%	61.98%	31.66%	39.73%	28.29%

Key Methods and Assumption Used to Calculate ADC

Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Amortization Method	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar
Discount Rate	3.93%	3.65%	3.65%	3.54%	2.21%	2.21%	3.50%	3.87%	3.58%
Inflation	2.28%	2.30%	3.00	3.00%	2.20%	2.20%	2.30%	2.30%	2.30%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end.
Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.35060492%	$ 5,697,262	$ 48,828,821	11.67%	98.20%
12/31/16	0.34475407%	2,841,597	49,299,927	5.76%	99.12%
12/31/17	0.34092993%	(10,122,614)	50,039,011	20.23%	102.93%
12/31/18	0.33460754%	11,904,287	50,144,571	23.74%	96.45%
12/31/19	0.32800146%	(10,576,264)	51,408,410	20.57%	102.96%
12/31/20	0.32187976%	(20,095,399)	53,198,210	37.77%	105.26%
12/31/21	0.31990092%	(25,784,602)	55,222,552	46.69%	106.02%
12/31/22	0.31881587%	16,889,920	57,601,844	29.32%	95.72%
12/31/23	0.31705776%	4,714,033	60,993,818	7.73%	98.85%
12/31/24	0.30691376%	5,043,101	62,007,779	8.13%	98.79%

SCHEDULE OF CONTRIBUTIONS – LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/16	$ 3,242,653	$ 3,242,653	$ -	$ 48,580,989	6.67%
6/30/17	3,336,103	3,336,103	-	49,615,429	6.72%
6/30/18	2,998,873	2,998,873	-	44,471,293	6.74%
6/30/19	2,917,328	2,917,328	-	44,068,975	6.62%
6/30/20	3,498,815	3,498,815	-	52,598,195	6.65%
6/30/21	3,652,677	3,652,677	-	53,197,210	6.87%
6/30/22	3,739,431	3,739,431	-	60,275,380	6.77%
6/30/23	3,909,790	3,909,790	-	58,520,385	6.68%
6/30/24	4,232,315	4,232,315	-	67,652,082	6.26%
6/30/25	4,339,537	4,339,537	-	62,639,879	6.93%

See accompanying Notes to Required Supplementary Information.

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms:
There were no changes of benefit terms for any participating employer in the WRS.

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

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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning form the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

There were no changes of benefit terms. Changes in assumptions include changes to the discount rate and inflation rate as noted in the Schedule of Changes in Net OPEB Liability and Related Ratios Last 10 Fiscal Years.

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

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING

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

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2025.

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund in accordance with requirements from the Wisconsin Department of Public Instruction. In accordance with generally accepted accounting principles, this fund is included as part of the general fund in these financial statements. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a U.S. GAAP General Fund basis is summarized below:

	General	Special Education Fund
Revenues		
Actual Amounts (Budgetary Basis)	$ 115,619,154	$ 8,883,974
Reclassification of Special Education	8,883,974	(8,883,974)
Total Revenues	124,503,128	-
Expenditures		
Actual Amounts (Budgetary Basis)	98,773,682	22,561,713
Reclassification of Special Education	22,561,713	(22,561,713)
Total Expenditures	121,335,395	-
Excess of Revenues Over (Under) Expenditures		
Actual Amounts (Budgetary Basis)	16,845,472	(13,677,739)
Reclassification of Special Education	(13,677,739)	13,677,739
Excess of Revenues Over (Under) Expenditures	3,167,733	-
Other Financing Sources (Uses)		
Actual Amounts (Budgetary Basis)	(15,667,919)	13,677,739
Reclassification of Special Education	13,677,739	(13,677,739)
Total Other Financing Sources (Uses)	(1,990,180)	-
Net Change in Fund Balance		
Actual Amounts (Budgetary Basis)	1,177,553	-
Fund Balance - July 1		
Actual Amounts (Budgetary Basis)	29,335,584	-
Fund Balance - June 30		
Actual Amounts (Budgetary Basis)	$ 30,513,137	$ -

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (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:

Funds	Excess Expenditures
General Fund:	
Instruction	
Vocational Instruction	$ 13,450
Other Instruction	38,340
Support Services:	
School Administration Services	23,034
Operations and Maintenance of Plant	1,623,442
Other Support Services	784,211
Debt Service:	
Principal	10,396
Interest	54,629
Nonprogram:	
Voucher Payments	10,264
Adjustments and Refunds	38,069
Revenue Transits to Others	3,764
Special Education Fund:	
Instruction:	
Special Education Instruction	229,651
Support Services:	
Pupil Services	11,969
General Administration Services	10,587
School Administration Services	988
Pupil Transportation Services	39,561
Insurance	19,400
Debt Service:	
Interest and Fiscal Charges	1,533
Nonprogram:	
Special Education Tuition Payments	156,793
Adjustments and Refunds	714

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF ELMBROOK
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue		
	Donations	Food Service	Community Service
ASSETS			
Cash and Investments	$ 1,394,778	$ 1,077,259	$ 533,792
Due from Other Governments	-	12,058	-
Inventories and Prepaid Items	-	35,557	-
Total Assets	$ 1,394,778	$ 1,124,874	$ 533,792
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 20,365	$ 864	$ 6,182
Accrued and Other Current Liabilities	-	18,480	3,539
Unearned Revenues	-	175,493	-
Total Liabilities	20,365	194,837	9,721
FUND BALANCES			
Nonspendable	-	35,557	-
Restricted	1,374,413	894,480	524,071
Total Fund Balances	1,374,413	930,037	524,071
Total Liabilities and Fund Balances	$ 1,394,778	$ 1,124,874	$ 533,792

SCHOOL DISTRICT OF ELMBROOK
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025

	Debt Service		Capital Projects	Total Nonmajor Governmental Funds
	Non-Referendum Debt Service	Referendum Debt Service	Capital Projects	
ASSETS				
Cash and Investments	$ 513,375	$ 467,251	$ 765,903	$ 4,752,358
Due from Other Governments	-	-	-	12,058
Inventories and Prepaid Items	-	-	-	35,557
Total Assets	$ 513,375	$ 467,251	$ 765,903	$ 4,799,973
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ -	$ 8,506	$ 35,917
Accrued and Other Current Liabilities	-	-	-	22,019
Unearned Revenues	-	-	-	175,493
Total Liabilities	-	-	8,506	233,429
FUND BALANCES				
Nonspendable	-	-	-	35,557
Restricted	513,375	467,251	757,397	4,530,987
Total Fund Balances	513,375	467,251	757,397	4,566,544
Total Liabilities and Fund Balances	$ 513,375	$ 467,251	$ 765,903	$ 4,799,973

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

	Special Revenue		
	Donations	Food Service	Community Service
REVENUES			
Property Taxes	$ -	$ -	$ 1,461,812
Other local Sources	2,311,257	2,889,255	-
State Sources	-	21,979	-
Federal Sources	-	666,322	-
Other Sources	-	4,651	-
Total Revenues	2,311,257	3,582,207	1,461,812
EXPENDITURES			
Instruction:			
Regular Instruction	164,535	-	-
Vocational Instruction	6,115	-	-
Other Instruction	1,800,419	-	-
Total Instruction	1,971,069	-	-
Support Services:			
Instructional Staff Services	26,992	-	-
School Administration Services	21,374	-	-
Business Services	797	-	-
Operations and Maintenance of Plant	13,206	165,738	497,892
Pupil Transportation Services	105,472	-	-
Food Services	-	3,822,327	-
Central Services	206	-	-
Insurance	-	25,441	-
Other Support Services	5,847	-	-
Total Support Services	173,894	4,013,506	497,892
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Debt Service	-	-	-
Community Service	-	-	828,802
Nonprogram:			
Revenue Transits to Others	3,079	-	-
Total Nonprogram	3,079	-	-
Total Expenditures	2,148,042	4,013,506	1,326,694
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	163,215	(431,299)	135,118
Fund Balances - July 1	1,211,198	1,361,336	388,953
FUND BALANCES - JUNE 30	$ 1,374,413	$ 930,037	$ 524,071

SCHOOL DISTRICT OF ELMBROOK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Debt Service		Capital Projects	Total Nonmajor Governmental Funds
	Non Referendum Debt Service	Referendum Debt Service	Capital Projects	
REVENUES				
Property Taxes	$ -	$ 4,497,129	$ -	$ 5,958,941
Other local Sources	-	50,661	44,122	5,295,295
State Sources	-	-	-	21,979
Federal Sources	-	-	-	666,322
Other Sources	-	-	-	4,651
Total Revenues	-	4,547,790	44,122	11,947,188
EXPENDITURES				
Instruction:				
Regular Instruction	-	-	-	164,535
Vocational Instruction	-	-	-	6,115
Other Instruction	-	-	-	1,800,419
Total Instruction	-	-	-	1,971,069
Support Services:				
Instructional Staff Services	-	-	-	26,992
School Administration Services	-	-	-	21,374
Business Services	-	-	-	797
Operations and Maintenance of Plant	-	-	231,785	908,621
Pupil Transportation Services	-	-	-	105,472
Food Services	-	-	-	3,822,327
Central Services	-	-	-	206
Insurance	-	-	-	25,441
Other Support Services	-	-	-	5,847
Total Support Services	-	-	231,785	4,917,077
Debt Service:				
Principal	345,000	4,680,000	-	5,025,000
Interest and Fiscal Charges	27,287	362,895	-	390,182
Total Debt Service	372,287	5,042,895	-	5,415,182
Community Service	-	-	-	828,802
Nonprogram:				
Revenue Transits to Others	-	-	-	3,079
Total Nonprogram	-	-	-	3,079
Total Expenditures	372,287	5,042,895	231,785	13,135,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(372,287)	(495,105)	(187,663)	(1,188,021)
Fund Balances - July 1	885,662	962,356	945,060	5,754,565
FUND BALANCES - JUNE 30	$ 513,375	$ 467,251	$ 757,397	$ 4,566,544

ADDITIONAL 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
School District of Elmbrook
Brookfield, 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 School District of Elmbrook, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Elmbrook's basic financial statements, and have issued our report thereon dated December 5, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether School District of Elmbrook'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*.

School District of Elmbrook's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District of Elmbrook's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. School District of Elmbrook'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 5, 2025

SCHOOL DISTRICT OF ELMBROOK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

Finding No.	Control Deficiencies
2025-001	**Preparation of Annual Financial Report**
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the District's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the District had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.
Effect:	Without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.
Cause:	District management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Repeat Finding:	This finding is a repeat of a finding in the immediately prior year. Prior year finding was 2024-001.
Recommendation:	We recommend the District continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the District's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.
Views of Responsible Officials:	Management will continue to rely on the audit firm to draft the financial statements and the related notes to the financial statements, and will review, approve, and accept responsibility for the annual financial report prior to its issuance.



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