

# **School District of Mauston**

Financial Statements and  
Supplementary Information

June 30, 2025

# School District of Mauston

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## **INDEPENDENT AUDITORS' REPORT**

## **Independent Auditors' Report**

To the Board of Education of  
School District of Mauston

### **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 Mauston (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, changes in the presentation of funds within the financial statements had occurred and adjustments were made to the reporting periods beginning fund balance. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 11, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
December 11, 2025

## **BASIC FINANCIAL STATEMENTS**

# School District of Mauston

Statement of Net Position

June 30, 2025

<b>Assets and Deferred Outflows of Resources</b>	<b>Governmental Activities</b>
<b>Current Assets</b>	
Cash and investments	\$ 7,837,927
Taxes receivable	2,823,856
Accounts receivable	93,554
Due from other governments	<u>521,289</u>
Total current assets	<u>11,276,626</u>
<b>Noncurrent Assets</b>	
Capital assets:	
Land	588,300
Capital assets being depreciated	104,371,988
Less accumulated depreciation	<u>(28,533,758)</u>
Total noncurrent assets	<u>76,426,530</u>
Total assets	<u>87,703,156</u>
<b>Deferred Outflows of Resources</b>	
OPEB related amounts	1,198,356
Pension related amounts	<u>4,851,796</u>
Total deferred outflows of resources	<u>6,050,152</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued expenses	1,348,316
Accrued interest	284,721
Due to other governments	10,804
Unearned revenue	27,964
Current portion of long-term obligations	<u>2,432,218</u>
Total current liabilities	<u>4,104,023</u>
<b>Noncurrent Liabilities</b>	
Noncurrent portion of long-term obligations	<u>50,193,290</u>
Total liabilities	<u>54,297,313</u>
<b>Deferred Inflows of Resources</b>	
OPEB related amounts	1,257,569
Pension related amounts	<u>2,698,795</u>
Total deferred inflows of resources	<u>3,956,364</u>
<b>Net Position</b>	
Net investment in capital assets	30,649,931
Restricted for debt service	1,461,820
Restricted for capital projects	2,285,607
Restricted for trust	390,175
Restricted for community service	1,406,648
Unrestricted (deficit)	<u>(694,550)</u>
Total net position	<u>\$ 35,499,631</u>

See notes to the financial statements

**School District of Mauston**

Statement of Activities  
Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
Instruction:				
Regular	\$ 8,822,718	\$ 1,645,765	\$ 815,209	\$ (6,361,744)
Special education	2,508,685	-	1,095,707	(1,412,978)
Vocational	769,547	-	-	(769,547)
Other	1,329,844	-	147,344	(1,182,500)
Total instruction	<u>13,430,794</u>	<u>1,645,765</u>	<u>2,058,260</u>	<u>(9,726,769)</u>
Support services:				
Pupil services	850,943	-	20,938	(830,005)
Instructional support services	1,234,364	-	559,225	(675,139)
Administration	2,206,323	-	98,211	(2,108,112)
Buildings and grounds	3,802,813	2,100	-	(3,800,713)
Pupil transportation	790,356	-	72,934	(717,422)
Other support services	1,480,132	45,055	21,548	(1,413,529)
Community services	550,187	436,808	-	(113,379)
Food service	1,239,237	343,976	845,370	(49,891)
Interest and fees	804,815	-	-	(804,815)
Total support services	<u>12,959,170</u>	<u>827,939</u>	<u>1,618,226</u>	<u>(10,513,005)</u>
Total activities	<u>\$ 26,389,964</u>	<u>\$ 2,473,704</u>	<u>\$ 3,676,486</u>	<u>(20,239,774)</u>
<b>General Revenues</b>				
Taxes:				
Property taxes:				
General purposes				4,361,352
Community service				1,000,000
Debt service				3,708,497
Intergovernmental revenue not restricted to specific functions				13,070,969
Investment income				195,708
Miscellaneous				301,486
Total general revenues				<u>22,638,012</u>
Change in net position				2,398,238
<b>Net Position, Beginning</b>				<u>33,101,393</u>
<b>Net Position, Ending</b>				<u>\$ 35,499,631</u>

See notes to the financial statements

**School District of Mauston**

Balance Sheet -  
Governmental Funds  
June 30, 2025

	Special Revenue Funds						Total
	General Fund	Special Education Fund	Community Service Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Assets</b>							
Cash and investments	\$ 1,865,744	\$ -	\$ 1,466,276	\$ 1,746,541	\$ 2,352,868	\$ 406,498	7,837,927
Taxes receivable	2,823,856	-	-	-	-	-	2,823,856
Accounts receivable	2,156	83,025	-	-	-	8,373	93,554
Due from other funds	306,289	-	-	-	-	-	306,289
Due from other governments	249,403	55,903	-	-	-	215,983	521,289
<b>Total assets</b>	<b>\$ 5,247,448</b>	<b>\$ 138,928</b>	<b>\$ 1,466,276</b>	<b>\$ 1,746,541</b>	<b>\$ 2,352,868</b>	<b>\$ 630,854</b>	<b>11,582,915</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 422,602	\$ 7,550	\$ 40,462	\$ -	\$ 67,261	\$ 21,134	\$ 559,009
Accrued payroll and related liabilities	759,175	2,074	19,166	-	-	8,892	789,307
Due to other funds	-	129,304	-	-	-	176,985	306,289
Due to other governments	5,100	-	-	-	-	5,704	10,804
Unearned revenue	-	-	-	-	-	27,964	27,964
<b>Total liabilities</b>	<b>1,186,877</b>	<b>138,928</b>	<b>59,628</b>	<b>-</b>	<b>67,261</b>	<b>240,679</b>	<b>1,693,373</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	-	-	-	-	-	149,323	149,323
<b>Fund Balances</b>							
Restricted	-	-	1,406,648	1,746,541	2,285,607	390,175	5,828,971
Unassigned (deficit)	4,060,571	-	-	-	-	(149,323)	3,911,248
<b>Total fund balances</b>	<b>4,060,571</b>	<b>-</b>	<b>1,406,648</b>	<b>1,746,541</b>	<b>2,285,607</b>	<b>240,852</b>	<b>9,740,219</b>
resources and fund balances	\$ 5,247,448	\$ 138,928	\$ 1,466,276	\$ 1,746,541	\$ 2,352,868	\$ 630,854	\$ 11,582,915

See notes to the financial statements

## School District of Mauston

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

<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 9,740,219</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	76,426,530
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the district-wide statements	149,323
Deferred outflows of resources related to OPEB and pension do not relate to current financial resources and are not reported in the governmental funds.	6,050,152
Deferred inflows of resources related to OPEB and pension do not relate to current financial resources and are not reported in the governmental funds.	(3,956,364)
Some liabilities, including long term debt, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation debt	(44,447,325)
Unamortized premium	(1,329,274)
Compensated absences	(198,929)
Accrued interest	(284,721)
Total OPEB liability, Health	(2,964,659)
Net OPEB liability, Life	(459,201)
Total pension liability	<u>(3,226,120)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 35,499,631</u></b>

**School District of Mauston**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended June 30, 2025

	Special Revenue Funds						Total Governmental Funds
	General Fund	Special Education Fund	Community Service Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Revenues</b>							
Local	\$ 4,634,874	\$ -	\$ 1,436,808	\$ 3,744,987	\$ 51,377	\$ 596,424	\$ 10,464,470
Interdistrict	1,537,364	-	-	-	-	-	1,537,364
Intermediate	15,145	45,569	-	-	-	-	60,714
State	13,091,352	757,258	-	-	-	55,198	13,903,808
Federal	1,044,413	489,284	-	-	-	1,099,910	2,633,607
Other	-	-	-	-	38,916	-	38,916
<b>Total revenues</b>	<b>20,323,148</b>	<b>1,292,111</b>	<b>1,436,808</b>	<b>3,744,987</b>	<b>90,293</b>	<b>1,751,532</b>	<b>28,638,879</b>
<b>Expenditures</b>							
Instruction:							
Regular	6,267,500	-	-	-	-	653,825	6,921,325
Special education	-	2,264,941	-	-	-	-	2,264,941
Vocational	666,771	-	-	-	-	123,833	790,604
Other	915,212	-	-	-	-	25,273	940,485
<b>Total instruction</b>	<b>7,849,483</b>	<b>2,264,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>802,931</b>	<b>10,917,355</b>
Support services:							
Pupil services	654,864	363,632	-	-	-	13,366	1,031,862
Instructional support services	973,522	76,717	-	-	-	37,559	1,087,798
Administration	2,187,611	-	-	-	-	35,364	2,222,975
Buildings and grounds	2,195,879	-	3,364	-	208,257	-	2,407,500
Pupil transportation	612,033	133,020	-	-	-	53,839	798,892
Other support services	1,441,552	16,396	-	-	18,266	-	1,476,214
Food service	-	-	-	-	-	1,267,371	1,267,371
Community service	-	-	550,621	-	-	-	550,621
Debt service:							
Principal retirement	-	-	-	2,326,626	-	-	2,326,626
Interest and fiscal charges	-	-	-	899,743	-	-	899,743
<b>Total support services</b>	<b>8,065,461</b>	<b>589,765</b>	<b>553,985</b>	<b>3,226,369</b>	<b>226,523</b>	<b>1,407,499</b>	<b>14,069,602</b>
Nonprogram:							
General tuition payments	2,054,492	234,312	-	-	-	-	2,288,804
<b>Total expenditures</b>	<b>17,969,436</b>	<b>3,089,018</b>	<b>553,985</b>	<b>3,226,369</b>	<b>226,523</b>	<b>2,210,430</b>	<b>27,275,761</b>
Excess (deficiency) of revenues over (under) expenditures	2,353,712	(1,796,907)	882,823	518,618	(136,230)	(458,898)	1,363,118
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	1,796,907	-	-	-	281,992	2,078,899
Transfers out	(2,078,899)	-	-	-	-	-	(2,078,899)
<b>Total other financing sources (uses)</b>	<b>(2,078,899)</b>	<b>1,796,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281,992</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>274,813</b>	<b>-</b>	<b>882,823</b>	<b>518,618</b>	<b>(136,230)</b>	<b>(176,906)</b>	<b>1,363,118</b>
<b>Fund Balances, Beginning, as Previously Reported</b>	<b>3,785,758</b>	<b>-</b>	<b>-</b>	<b>1,227,923</b>	<b>2,421,837</b>	<b>941,583</b>	<b>8,377,101</b>
Accounting changes (see note disclosure)	-	-	523,825	-	-	(523,825)	-
<b>Fund Balances, Beginning, as Adjusted</b>	<b>3,785,758</b>	<b>-</b>	<b>523,825</b>	<b>1,227,923</b>	<b>2,421,837</b>	<b>417,758</b>	<b>8,377,101</b>
<b>Fund Balances, Ending</b>	<b>\$ 4,060,571</b>	<b>\$ -</b>	<b>\$ 1,406,648</b>	<b>\$ 1,746,541</b>	<b>\$ 2,285,607</b>	<b>\$ 240,852</b>	<b>\$ 9,740,219</b>

See notes to the financial statements

## School District of Mauston

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

**Net Change in Fund Balances, Total Governmental Funds** \$ 1,363,118

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 as depreciation expense.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the district-wide financial statements	334,495
Depreciation expense reported in the Statement of Activities	(2,165,807)

Receivables not currently available are reported as revenue when collected  
or currently available in the fund financial statements but are recognized as  
revenue when earned in the government-wide financial statements

149,323

Bond proceeds provide 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.

Debt retired	2,326,626
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Governmental funds report debt premiums and discounts as other financing  
sources (uses). However, in the Statement of Net Position, these are deferred  
and reported as other assets or as deductions from long-term debt. These are  
allocated over the period the debt is outstanding in the Statement of Activities and  
are reported as amortization expense.

Amortization of premium	83,080
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Some expenses and revenues reported in the Statement of Activities do not require  
the use of current financial resources and therefore are not reported  
as expenditures or revenues in governmental funds.

Compensated absences	13,665
Net pension liability, WRS	(36,089)
Total pension liability, single employer	(49,905)
Total OPEB liability, Health	629,874
Net OPEB liability, Life	109,242
Deferred inflows/outflows of resources related to pensions	(433,830)
Deferred inflows/outflows of resources related to OPEB	62,597
Accrued interest on debt	11,849

**Change in Net Position of Governmental Activities** \$ 2,398,238

## School District of Mauston

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Statement of Fiduciary Net Position -

Fiduciary Fund

June 30, 2025

	<b>Private Purpose Trust Fund - Scholarships</b>
<b>Assets</b>	
Cash and investments	\$ 1,080,049
Accounts receivable	<u>160,831</u>
Total assets	<u>1,240,880</u>
<b>Liabilities</b>	
Total liabilities	<u>-</u>
<b>Net Position</b>	
Restricted for scholarships	<u>\$ 1,240,880</u>

See notes to the financial statements

## School District of Mauston

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Statement of Changes in Fiduciary Net Position -

Fiduciary Fund

Year Ended June 30, 2025

	<b>Private Purpose Trust Fund - Scholarships</b>
<b>Additions</b>	
Contributions	\$ 80,800
Investment income	<u>68,647</u>
Total additions	<u>149,447</u>
<b>Deductions</b>	
Payments to participants	<u>84,282</u>
Change in net position	65,165
<b>Net Position, Beginning</b>	<u>1,175,715</u>
<b>Net Position, Ending</b>	<u>\$ 1,240,880</u>

See notes to the financial statements

# School District of Mauston

Index to Notes to Financial Statements  
June 30, 2025

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# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## 1. Summary of Significant Accounting Policies

The accounting policies of the School District of Mauston, Wisconsin (the District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Blended Component Unit

The Lemonweir Academy is a charter school organized pursuant to Wis. Stat 118.40(2m)(a) which authorizes the District to enter into a contract to operate a charter school within the District. The Lemonweir Academy is reported as a special revenue fund. Separately issued financial statements may be obtained from the Lemonweir Academy office.

### District-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024. The impact of implementation was not material.

# School District of Mauston

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Notes to Financial Statements  
June 30, 2025

## District-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

## Fund Financial Statements

Financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

### General Fund

General Fund accounts for the District's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

### Special Revenue Funds

Special Revenue - Special Education Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures used to provide special education services to District students.

Special Revenue - Community Service Fund is used to account for and report local taxes and fees legally restricted or committed to supporting community service expenditures.

# School District of Mauston

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Notes to Financial Statements  
June 30, 2025

## **Debt Service Fund**

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

## **Capital Projects Fund**

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

The District reports the following nonmajor governmental funds:

## **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Food Service  
Trust  
Co-operative  
Lemonweir Academy

In addition, the District reports the following fund types:

## **Private-Purpose Trust Fund**

Private-Purpose Trust Fund is used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations or other governments.

Scholarship Fund

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

### **District-Wide Financial Statements**

The district-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and revenue.

Intergovernmental aids and grants are recognized as revenues in the period the District is entitled to the resources and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as student fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above. Charges for special education services are not reduced by anticipated state special education aid entitlement.

## Fiduciary Funds

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

## All Financial Statements

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

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

### Deposits and Investments

Investment of District funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.

## School District of Mauston

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Notes to Financial Statements  
June 30, 2025

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The District has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

Credit risk

Custodial credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (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 amount as reported in these statements.

See Note 3 for further information.

### Receivables

Property taxes are levied in December on the assessed values as of the prior January 1.

The aggregate amount of property taxes to be levied for school purposes is determined according to the provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable item as of January 1.

Property taxes are recognized in the fiscal year levied. The District considers all taxes as due prior to the end of the fiscal year. Full receipt of the entire levy is assured within 60 days of the District's fiscal year end.

Property taxes are collected by the local taxing units until January 31. Real estate tax collections after that date are made by the applicable county, which assumes all responsibility for delinquent real estate taxes.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

## Capital Assets

### District-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the district-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Building improvements	20 Years
Land improvements	20 Years
Furniture and equipment	5-10 Years
Vehicles	5 Years
Computers	3 Years

### Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### Compensated Absences

The District's policy includes vacation pay benefit for certain employees however, this benefit does not accumulate. Any unused vacation time at the end of the year is forfeited by the employee.

The District's policy allows employees to earn varying amounts of sick pay, accumulating to a maximum total of 90 days for teachers and 100 days for support staff. These amounts are carried over and can be used the following year. Upon retirement, teachers are paid \$40 for each qualifying day and support staff are paid out at a rate of \$30 per qualifying day, if the employees have been with the District for 20 or more years.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

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Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2025, are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the district-wide statements. The long-term obligations consist primarily of notes and bonds payable, other postemployment benefit obligations and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the district-wide statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### District-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

### Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

## School District of Mauston

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Notes to Financial Statements  
June 30, 2025

- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District Board of Education. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District Board of Education that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. 1) The District has adopted a financial policy authorizing the Director of Business and Auxiliary Services to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Fiduciary fund net position is classified as restricted for scholarships on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the District believes it is in compliance with all significant restrictions.

# School District of Mauston

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Notes to Financial Statements  
June 30, 2025

## **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; and
- Pension Expense (Revenue).

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

For purposes of measuring the single-employer pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, the District's single employer pension plan recognizes benefit payments when due and payable in accordance with the benefit terms.

## **Postemployment Benefits Other Than Pensions (OPEB)**

Health: For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms

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

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

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## 2. Stewardship, Compliance and Accountability

### Budgetary Information

A budget has been adopted for the General Fund, Special Education Fund, Capital Project Fund, Trust Fund, Debt Service Fund, Food Service Fund, Community Service Fund and Co-Operative Fund. A budget has not been formally adopted for Lemonweir Academy. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

### Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Food Service Fund	\$ 1,266,000	\$ 1,267,371	\$ 1,371
Capital Projects Fund	177,125	226,523	49,398
Co-Operative Fund	27,500	29,338	1,838

The District controls expenditures at the function level in the General Fund and at the fund level for all other funds. Some individual funds experienced expenditures which exceeded appropriations. The detail of those items can be found in the District's year-end budget to actual report.

### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of June 30, 2025, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Lemonweir Fund	\$ 149,323	Unavailable grant revenues

Fund deficit is anticipated to be funded with future grant revenues.

### Limitations on the District's Revenues

Wisconsin statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is limited to an allowable per member increase that is determined by the legislature.

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

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## 3. Detailed Notes on All Funds

### Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The District's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 8,907,852	\$ 9,396,615	Custodial credit
LGIP	6,957	8,316	Credit
Petty cash	3,167	-	N/A
	<u>\$ 8,917,976</u>	<u>\$ 9,404,931</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 7,837,927		
Per statement of net position, fiduciary fund:			
Private Purpose Trust Fund	<u>1,080,049</u>		
	<u>\$ 8,917,976</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The District maintains collateral agreements with its banks. At June 30, 2025, the banks had pledged various government securities in the amount of \$8,268,043 to secure the District's deposits.

### Custodial Credit Risk

#### Deposits

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

The District does not have any deposits exposed to custodial credit risk.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

The District had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

## Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Unspent, student lunch account balances	\$ 27,964	\$ -
Charter school grant funding	<u>-</u>	<u>149,323</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 27,964</u>	<u>\$ 149,323</u>
Unearned revenue included in liabilities	<u>\$ 27,964</u>	
Total unearned revenue for governmental funds	<u>\$ 27,964</u>	

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 588,300	\$ -	\$ -	\$ 588,300
Construction in progress	<u>768,249</u>	<u>-</u>	<u>768,249</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,356,549</u>	<u>-</u>	<u>768,249</u>	<u>588,300</u>
Capital assets being depreciated:				
Buildings	95,920,871	854,338	-	96,775,209
Land improvements	651,531	10,000	-	661,531
Equipment	6,241,669	176,064	7,651	6,410,082
Vehicles	<u>462,824</u>	<u>62,342</u>	<u>-</u>	<u>525,166</u>
Total capital assets being depreciated	<u>103,276,895</u>	<u>1,102,744</u>	<u>7,651</u>	<u>104,371,988</u>
Total capital assets	<u>104,633,444</u>	<u>1,102,744</u>	<u>775,900</u>	<u>104,960,288</u>

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Less accumulated depreciation for:				
Buildings	(20,951,390)	(1,989,706)	-	(22,941,096)
Land improvements	(619,659)	(6,250)	-	(625,909)
Equipment	(4,415,154)	(131,985)	7,651	(4,539,488)
Vehicles	(389,399)	(37,866)	-	(427,265)
Total accumulated depreciation	<u>(26,375,602)</u>	<u>(2,165,807)</u>	<u>7,651</u>	<u>(28,533,758)</u>
Net capital assets being depreciated	<u>76,901,293</u>	<u>(1,063,063)</u>	<u>-</u>	<u>75,838,230</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 78,257,842</u>	<u>\$ (1,063,063)</u>	<u>\$ 768,249</u>	<u>\$ 76,426,530</u>

Depreciation expense was charged to functions as follows:

### Governmental Activities

Instruction:

Regular	\$ 25,499
Other	47,083

Support services:

Pupil services	1,480
Instructional support	416,235
Administration	36,606
Buildings and grounds	1,633,087
Community Service	<u>5,817</u>

Total governmental activities depreciation expense \$ 2,165,807

### Interfund Receivables/Payables and Transfers

#### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Education Fund	\$ 129,304
General Fund	Co-Operative Fund	27,662
General Fund	Lemonweir	<u>149,323</u>
Total, fund financial statements		306,289
Less fund eliminations		<u>(306,289)</u>
Total internal balances, district-wide statement of net position		<u>\$ -</u>

All amounts are due within one year.

The principal purpose of these interfunds are deficit cash balances.

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Special Education Fund	General Fund	\$ 1,796,907
Food Service Fund	General Fund	45,861
Lemonweir	General Fund	<u>236,131</u>
Total, fund financial statements		2,078,899
Less fund eliminations		<u>(2,078,899)</u>
Total transfers, district-wide statement of activities		<u>\$ -</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

The above transfer to the special education fund uses unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and Wisconsin Department of Public Instruction directives.

## Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 44,970,000	\$ -	\$ 580,000	\$ 44,390,000	\$ 2,355,000
General obligation notes from direct borrowings and direct placements (Discounts)/Premiums	1,803,951	-	1,746,626	57,325	57,325
	<u>1,412,354</u>	<u>-</u>	<u>83,080</u>	<u>1,329,274</u>	<u>-</u>
Total bonds and notes payable	<u>48,186,305</u>	<u>-</u>	<u>2,409,706</u>	<u>45,776,599</u>	<u>2,412,325</u>
Other liabilities:					
Net OPEB liability, life	568,443	-	109,242	459,201	-
Total Pension liability, single employer	2,333,149	49,905	-	2,383,054	-
Compensated absences *	212,594	-	13,665	198,929	19,893
Net OPEB Liability, Health	3,594,533	-	629,874	2,964,659	-
Net pension liability	<u>806,977</u>	<u>36,089</u>	<u>-</u>	<u>843,066</u>	<u>-</u>
Total other liabilities	<u>7,515,696</u>	<u>85,994</u>	<u>752,781</u>	<u>6,848,909</u>	<u>19,893</u>
Total governmental activities long-term liabilities	<u>\$ 55,702,001</u>	<u>\$ 85,994</u>	<u>\$ 3,162,487</u>	<u>\$ 52,625,508</u>	<u>\$ 2,432,218</u>

\*The change in compensated absences is reported as a net change.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed 10% of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2025, was \$147,801,800. Total general obligation debt outstanding at year end was \$44,447,325.

## General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the District. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

### Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2025</u>
GO Refunding Bonds	03/08/2021	03/01/2041	1.15-4.00%	\$ 46,540,000	\$ 43,290,000
GO Refunding Bonds	05/25/2021	03/01/2041	2.00-4.00	1,295,000	1,100,000
GO Promissory Notes, direct	07/01/2020	07/15/2025	1.10	280,000	<u>57,325</u>
Total governmental activities, general obligation debt					<u><u>\$ 44,447,325</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,355,000	\$ 849,995
2027	2,420,000	788,995
2028	2,515,000	690,295
2029	2,590,000	613,495
2030	2,635,000	571,567
2031-2035	13,725,000	2,302,468
2036-2040	14,975,000	1,065,658
2041	<u>3,175,000</u>	<u>31,745</u>
Total	<u><u>\$ 44,390,000</u></u>	<u><u>\$ 6,914,218</u></u>

<u>Year</u>	<u>Governmental Activities Notes From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 57,325	\$ 639

## Other Debt Information

Estimated payments of total pension liability, net pension liability and other postemployment benefits liabilities are not included in the debt service requirement schedules. The total pension liability, net pension liability and other postemployment benefits liabilities attributable to governmental activities will be liquidated primarily by the general fund.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land	\$ 588,300
Other capital assets, net of accumulated depreciation	75,838,230
Less long-term debt outstanding	(44,447,325)
Less unamortized debt premium	<u>(1,329,274)</u>
 Total net investment in capital assets	 <u><u>\$ 30,649,931</u></u>

### Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2025, include the following:

	<u>General Fund</u>	<u>Special Revenue - Community Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>						
<b>Restricted for:</b>						
Trust purposes	\$ -	\$ -	\$ -	\$ -	\$ 390,175	\$ 390,175
Community services	-	1,406,648	-	-	-	1,406,648
Debt service	-	-	1,746,541	-	-	1,746,541
Capital projects	-	-	-	2,285,607	-	2,285,607
<b>Unassigned (Deficit)</b>	<u>4,060,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,323)</u>	<u>3,911,248</u>
 Total fund balances	 <u><u>\$ 4,060,571</u></u>	 <u><u>\$ 1,406,648</u></u>	 <u><u>\$ 1,746,541</u></u>	 <u><u>\$ 2,285,607</u></u>	 <u><u>\$ 240,852</u></u>	 <u><u>\$ 9,740,219</u></u>

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Accounting Changes

### Changes to or within the Financial Reporting Entity (See Adjustments Below)

The Community Service Fund, previously reported as a nonmajor fund, is reported as a major fund for fiscal year 2025.

### Adjustments to Beginning Balances

During fiscal year 2025, changes to or within the financial reporting entity resulted in adjustments to beginning fund balance as follows:

	<u>June 30, 2024 As Previously Reported</u>	<u>Change to or Within the Financial Reporting Entity</u>	<u>June 30, 2024 As Adjusted</u>
Governmental funds			
Major funds:			
Community Service Fund	\$ -	\$ 523,825	\$ 523,825
Nonmajor funds	<u>941,583</u>	<u>(523,825)</u>	<u>417,758</u>
Total governmental funds	<u>\$ 941,583</u>	<u>\$ -</u>	<u>\$ 941,583</u>

## 4. Other Information

### Employees' Retirement System

#### Plan Description

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

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

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

#### Vesting

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Benefits Provided

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

Final average earnings is the average of the participant's three highest annual earnings period. 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 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.

## 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:

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Contributions

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

During the reporting period, the WRS recognized \$690,745 in contributions from the District.

Contribution rates for the plan year reported as of June 30, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including Teachers, Executives & Elected officials)	6.90	6.90

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

At June 30, 2025, the District reported a liability of \$843,066 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 0.05130749%, which was a decrease of 0.00296839% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$1,138,073.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 2,618,184	\$ 2,460,272
Changes in assumptions	250,154	-
Net differences between projected and actual earnings on pension plan investments	1,281,084	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,818	1,613
Employer contributions subsequent to the measurement date	<u>430,023</u>	<u>-</u>
Total	<u>\$ 4,597,263</u>	<u>\$ 2,461,885</u>

## School District of Mauston

Notes to Financial Statements  
June 30, 2025

\$430,023 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending June 30:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ 515,694
2027	1,752,552
2028	(429,789)
2029	(133,102)

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

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

## School District of Mauston

Notes to Financial Statements  
June 30, 2025

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

### Long-Term Expected Return on Plan Assets

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

#### Asset Allocation Targets and Expected Returns\* as of December 31, 2024

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

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

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

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Single Discount Rate

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

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
District's proportionate share of the net pension liability (asset)	\$ 7,909,069	\$ 843,066	\$ (4,177,124)

## Pension Plan Fiduciary Net Position

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

At June 30, 2025, the District reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

## Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

## Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the district-wide statements as expenses when the related liabilities are incurred.

# School District of Mauston

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Notes to Financial Statements  
June 30, 2025

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney 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.

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

## Other Postemployment Benefits

### General Information about the OPEB Plan

#### Plan Description

**Plan Administration.** The District provides other postemployment benefits (OPEB) for its employees through a single-employer retiree benefit plan that provides postemployment health and life insurance benefits to eligible employees and their spouses. Benefits and eligibility are established and amended by the Board of Education

**Plan Membership.** At June 30, 2023, the date of the latest actuarial valuation, there were approximately 174 active plan members and 41 inactive plan members currently receiving benefits.

**Contributions.** There is no requirement for any employee or employer contributions for funding of the plan. The District does not have invested plan assets accumulated for payment of future benefits. The District's policy is to fund the plan on a pay-as-you-go basis. Benefit Provided. Benefit provisions are established through employment policies approved by the Board of Education.

For Administrators Hired Prior to July 1, 2013; at least age 55 with a minimum of eight years of service: The District will pay 100% of the medical premiums on behalf of the retiree for a period of eight years.

For Teachers at least age 55 with a minimum of 14 years of service and eligible for retirement benefits under the Wisconsin Retirement System. At least 50 years old by December 31 2017 who both give notice to the District in writing and have 14 years of service to the District by December 31, 2022 and choose to access retirement under the WRS of their intent to retire no later than June 30, 2023: The District will pay 87.4% of the medical premiums on behalf of the retiree for a period of four years. Thereafter, the District will continue to make contributions for an additional four years; however, the District's contributions will be frozen at the amount contributed during the 4th year.

For Directors at least age 55 with a minimum of 15 years of service. The District will contribute 92.4% of the medical premiums on behalf of the retiree for a period of four years.

Support Staff Category 1 (who work a minimum of 30 hours per week) At least age 55 with a minimum of 15 years of service: Hired prior to July 1, 2011 who both give notice to the District in writing and are at least 55 years old by December 31, 2022 and choose to access retirement under the WRS of their intent to retire no later than June 30, 2023. the District will contribute 87.4% of the medical premiums, further prorated based upon years of service (as noted in the Technical Appendix). For support staff who work at least 30 hours per week and less than

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

35 hours per week, who work only during the school year, the single health benefit will be the same as above but the family health benefit will be only 50% of the above benefit at the pro-rated levels stated above based on your years of employment with the District beginning with 15 years.

All Remaining Support Staff Not Eligible Under Category For employees who work at least 35 hours per week, upon retirement and choosing to access retirement under the Wisconsin Retirement System, the District will pay an amount not to exceed \$20,000 for a family plan or \$10,000 for a single plan to the support staff's 403(b) account in each of the two years following the support staff's retirement from the District prorated based upon years of service.

Certain active Administrators and Teachers are eligible for a stipend (cash or cash-equivalent) benefit upon retirement. GASB has identified such postemployment benefits as a pension benefit rather than an OPEB. Valuation of stipend benefits was performed and is provided in a separate report.

The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

## Total OPEB Liability

The District's total OPEB liability of \$2,964,659 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Healthcare participation rate	6.50% decreasing by 0.10% per year down to 4.50% and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 4.21%.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study 2018-2020.

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2024	\$ 3,594,533
Changes for the year:	
Service cost	32,889
Interest	132,745
Differences between expected and actual experience	5,191
Changes in assumptions or other inputs	(7,095)
Benefit payments	<u>(793,604)</u>
Net changes	<u>(629,874)</u>
Balances at June 30, 2025	<u>\$ 2,964,659</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2024 to 4.21% in 2025.

## Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB liability	\$ 3,055,118	\$ 2,964,659	\$ 2,878,061

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 3.50%) or 1-percentage-point higher (7.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	<u>1% Decrease (5.50% Decreasing to 3.50%)</u>	<u>Healthcare Cost Trend Rates (6.50% Decreasing to 4.50%)</u>	<u>1% Increase (7.50% Decreasing to 5.50%)</u>
Total OPEB liability	\$ 2,878,224	\$ 2,964,659	\$ 3,053,277

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,776. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 133,386	\$ 529,591
Changes of assumptions or other inputs	127,904	367,074
Employer contributions subsequent to the measurement date	<u>811,987</u>	<u>-</u>
Total	<u>\$ 1,073,277</u>	<u>\$ 896,665</u>

\$811,987 reported as deferred outflows related to OPEB resulting from the OPEB employer's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending June 30:</u>	<u>Amount</u>
2026	\$ (161,862)
2027	(199,315)
2028	(199,316)
2029	(83,188)
2030	(21,873)
Thereafter	30,179

## Local Retiree Life Insurance Fund (LRLIF)

### Plan Description

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

### Benefits Provided

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Contributions

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

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

Contribution rates for the plan year reported as of June 30, 2025 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of member contribution
25% Postretirement Coverage	20% of member contribution

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

<u>Life Insurance Member Contribution Rates* for the Plan Year</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$2,469 in contributions from the employer.

## School District of Mauston

Notes to Financial Statements  
June 30, 2025

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

At June 30, 2025, the District reported a liability of \$459,201 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. 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 OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.11737500%, which was a decrease of 0.00618200% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$9,530.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 47,773
Net differences between projected and actual earnings on plan investments	6,306	-
Changes in actuarial assumptions	112,675	257,556
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,362	55,574
Employer contributions subsequent to the measurement date	<u>1,736</u>	<u>-</u>
Total	<u>\$ 125,079</u>	<u>\$ 360,903</u>

\$1,736 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending June 30:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ (26,952)
2027	(45,522)
2028	(63,583)
2029	(61,250)
2030	(20,508)
Thereafter	(19,745)

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

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## Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021-December 31, 2023. Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.7%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO 20-Bond Municipal index

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Long-Term Expected Return on Plan Assets

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

### State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2024

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.71
Inflation			2.30
Long-Term Expected Rate of Return			4.25

## Single Discount Rate

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

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

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

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

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

	<u>1% Decrease to Discount Rate (3.09%)</u>	<u>Current Discount Rate (4.09)</u>	<u>1% Increase to Discount Rate (5.09%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ 613,787	\$ 459,201	\$ 340,079

At June 30, 2025, the District reported a payable to the OPEB plan, which represents contractually required contributions outstanding as of the end of the year.

## Single-Employer Defined Benefit Pension Plan

### Plan Description

**Plan Description.** District will provide eligible Administrators and Teachers hired after July 1, 2013, with 403(b) contributions upon retirement. The annual amounts vary based on classification and are paid for a period of five years.

**Plan Membership.** At June 30, 2023, the date of the last actuarial valuation, there were approximately 96 active plan members and 8 retirees eligible to receive benefits.

**Contributions.** The District does not have invested plan assets accumulated for payment for future benefits. The District's policy is to fund the supplemental pension benefits on a pay-as-you-go basis.

**Benefits Provided.** The District will provide eligible Administrators hired after July 1, 2013 with 403(B) contributions in retirement. Teachers hired before the 2011-12 school year who were not 50 years old as of December 31, 2017 as well as Support Staff not meeting their Category 1 eligibility (i.e., hired prior to July 1, 2011, at least 55 years old by December 31, 2022 and retire no later than June 30, 2023) are also eligible for annual 403(b) District contributions in retirement. These annual amounts vary based on classifications as described in detail in the Technical Appendix and are paid for a period of five years

### Changes in Total Pension Liability

The District's change in total pension liability for the fiscal year ended June 30, 2025 was as follows:

	<u>Total Pension Liability</u>
Beginning of Year Balance	\$ 2,333,149
Service cost	113,237
Interest on total pension liability	95,600
Changes of assumptions or other input	(8,932)
Benefit payments	<u>(150,000)</u>
End of Year Balance	<u>\$ 2,383,054</u>

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

## Assumptions

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

Measurement Date:	June 30, 2024
Actuarial Valuation Date:	June 30, 2023
Inflation:	2.50%
Salary Changes:	Assumed 3.00% per year; includes merit increases plus inflation
Discount Rate:	4.21%
Source of Discount Rate:	Based upon all years of project payments discounted at a municipal bond rate of 4.21%
Source of Mortality Assumptions:	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010
Dates of Experience Studies	Experience study conducted in 2021 using WRS experience from 2018-2020

## Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following is a sensitivity analysis of the total pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the current discount rate of 4.21% as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	<b>1% Decrease (3.21%)</b>	<b>Current Discount Rate (4.21%)</b>	<b>1% Increase (5.21%)</b>
Total pension liability	\$ 2,495,816	\$ 2,383,054	\$ 2,272,952

## Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2025, the District recognized pension expense of \$211,418. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the single-employer defined benefit pension plan will be recognized in pension expense as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 158,604	\$ 18,978
Changes in assumptions	95,929	217,932
Total	<u>\$ 254,533</u>	<u>\$ 236,910</u>

# School District of Mauston

Notes to Financial Statements  
June 30, 2025

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<u>Years Ending June 30:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ 12,581
2027	12,581
2028	12,581
2029	12,578
2030	(2,108)
Thereafter	(30,590)

## Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**School District of Mauston**

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

General Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Budget</u>
<b>Revenues</b>				
Local	\$ 4,438,225	\$ 4,916,745	\$ 4,634,874	\$ (281,871)
Interdistrict	1,660,504	1,537,364	1,537,364	-
Intermediate	12,722	15,144	15,145	1
State	13,142,935	13,091,853	13,091,352	(501)
Federal	805,242	1,042,202	1,044,413	2,211
Other	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>20,096,628</u>	<u>20,603,308</u>	<u>20,323,148</u>	<u>(280,160)</u>
<b>Expenditures</b>				
Instruction:				
Regular	7,446,896	6,657,671	6,267,500	390,171
Vocational	766,018	759,698	666,771	92,927
Other	<u>1,020,047</u>	<u>937,377</u>	<u>915,212</u>	<u>22,165</u>
Total instruction	<u>9,232,961</u>	<u>8,354,746</u>	<u>7,849,483</u>	<u>505,263</u>
Support services:				
Pupil services	730,037	653,365	654,864	(1,499)
Instructional support services	1,160,200	1,010,953	973,522	37,431
Administration	2,337,167	2,102,583	2,187,611	(85,028)
Buildings and grounds	2,344,413	2,344,413	2,195,879	148,534
Pupil transportation	644,790	644,790	612,033	32,757
Other support services	<u>1,432,722</u>	<u>1,401,552</u>	<u>1,441,552</u>	<u>(40,000)</u>
Total support services	<u>8,649,329</u>	<u>8,157,656</u>	<u>8,065,461</u>	<u>92,195</u>
Nonprogram:				
General tuition payments	<u>1,818,519</u>	<u>2,054,492</u>	<u>2,054,492</u>	<u>-</u>
Total nonprogram	<u>1,818,519</u>	<u>2,054,492</u>	<u>2,054,492</u>	<u>-</u>
Total expenditures	<u>19,700,809</u>	<u>18,566,894</u>	<u>17,969,436</u>	<u>597,458</u>
Excess of revenues over expenditures	395,819	2,036,414	2,353,712	317,298
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,895,819)</u>	<u>(1,824,492)</u>	<u>(2,078,899)</u>	<u>(254,407)</u>
Net change in fund balances	<u>\$ (1,500,000)</u>	<u>\$ 211,922</u>	<u>274,813</u>	<u>\$ 62,891</u>
<b>Fund Balances, Beginning</b>			<u>3,785,758</u>	
<b>Fund Balances, Ending</b>			<u>\$ 4,060,571</u>	

See notes to required supplementary information

**School District of Mauston**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

Special Revenue - Special Education Fund

Year Ended June 30, 2025

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Intermediate	\$ -	\$ 45,569	\$ 45,569
State	765,000	757,258	(7,742)
Federal	597,182	489,284	(107,898)
Total revenues	<u>1,362,182</u>	<u>1,292,111</u>	<u>(70,071)</u>
<b>Expenditures</b>			
Instruction:			
Special education	<u>2,405,297</u>	<u>2,264,941</u>	<u>140,356</u>
Support services:			
Pupil services	370,453	363,632	6,821
Instructional support services	82,158	76,717	5,441
Buildings and grounds	1,000	-	1,000
Pupil transportation	152,500	133,020	19,480
Other support services	<u>21,593</u>	<u>16,396</u>	<u>5,197</u>
Total support services	<u>627,704</u>	<u>589,765</u>	<u>37,939</u>
Nonprogram:			
General tuition payments	<u>225,000</u>	<u>234,312</u>	<u>(9,312)</u>
Total nonprogram	<u>225,000</u>	<u>234,312</u>	<u>(9,312)</u>
Total expenditures	<u>3,258,001</u>	<u>3,089,018</u>	<u>168,983</u>
Excess (deficiency) of revenues over (under) expenditures	(1,895,819)	(1,796,907)	98,912
<b>Other Financing Sources</b>			
Transfer in	<u>1,895,819</u>	<u>1,796,907</u>	<u>(98,912)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balances, Beginning</b>		<u>-</u>	
<b>Fund Balances, Ending</b>		<u>\$ -</u>	

See notes to required supplementary information

## School District of Mauston

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -  
Special Revenue - Community Service Fund  
Year Ended June 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Local	<u>\$ 884,924</u>	<u>\$ 1,436,808</u>	<u>\$ 551,884</u>
<b>Expenditures</b>			
Support services:			
Buildings and grounds	-	3,364	(3,364)
Community service	<u>830,751</u>	<u>550,621</u>	<u>280,130</u>
Total support services	<u>830,751</u>	<u>553,985</u>	<u>276,766</u>
Net change in fund balances	<u>\$ 54,173</u>	882,823	<u>\$ 828,650</u>
<b>Fund Balances, Beginning</b>		<u>523,825</u>	
<b>Fund Balances, Ending</b>		<u>\$ 1,406,648</u>	

See notes to required supplementary information

**School District of Mauston**

## Schedule of Changes in the Total OPEB Liability and Related Ratios - Health

Year Ended June 30, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB Liability</b>								
Service cost	\$ 642,683	\$ 642,683	\$ 236,302	\$ 142,143	\$ 173,482	\$ 121,922	\$ 97,313	\$ 32,889
Interest	408,317	422,900	255,386	194,089	123,373	101,183	151,063	132,745
Difference between expected and actual experience	-	-	(571,339)	-	(578,225)	(80,049)	165,564	5,191
Changes in benefits	-	(5,787,941)	-	-	-	-	(179,543)	-
Changes in assumptions	-	299,652	(473,814)	203,516	(93,191)	(216,519)	(26,884)	(7,095)
Benefit payments	(653,060)	(615,623)	(677,727)	(650,994)	(584,177)	(587,569)	(681,781)	(793,604)
Net change in total OPEB liability	397,940	(5,038,329)	(1,231,192)	(111,246)	(958,738)	(661,032)	(474,268)	(629,874)
<b>Total OPEB Liability, Beginning</b>	<u>11,671,398</u>	<u>12,069,338</u>	<u>7,031,009</u>	<u>5,799,817</u>	<u>5,688,571</u>	<u>4,729,833</u>	<u>4,068,801</u>	<u>3,594,533</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 12,069,338</u>	<u>\$ 7,031,009</u>	<u>\$ 5,799,817</u>	<u>\$ 5,688,571</u>	<u>\$ 4,729,833</u>	<u>\$ 4,068,801</u>	<u>\$ 3,594,533</u>	<u>\$ 2,964,659</u>
<b>Covered-Employee Payroll</b>	<u>\$ 8,016,495</u>	<u>\$ 8,016,495</u>	<u>\$ 8,371,692</u>	<u>\$ 8,371,692</u>	<u>\$ 8,651,920</u>	<u>\$ 8,654,920</u>	<u>\$ 8,688,292</u>	<u>\$ 8,688,292</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	150.56%	87.71%	69.28%	67.95%	54.67%	47.03%	41.37%	34.12%

**Notes to Schedule:**

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See notes to required supplementary information

**School District of Mauston**

Schedule of Employer Contributions - Health

Year Ended June 30, 2025

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually determined contribution	\$ 653,060	\$ 615,623	\$ 677,727	\$ 650,994	\$ 584,177	\$ 587,569	\$ 681,781	\$ 793,604
Contributions in relation to the contractually determined contribution	<u>653,060</u>	<u>615,623</u>	<u>677,727</u>	<u>650,994</u>	<u>584,177</u>	<u>587,569</u>	<u>681,781</u>	<u>793,604</u>
Contribution deficiency (excess)	<u>\$ -</u>							

**Notes to Schedule:**

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

*See notes to required supplementary information*

**School District of Mauston**

Schedule of Total Pension Liability - Single Employer  
Year Ended June 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Pension Liability</b>	\$ 64,034	\$ 76,054	\$ 1,482,558	\$ 1,786,282	\$ 2,026,365	\$ 2,258,061	\$ 2,166,367	\$ 2,333,149	\$ 2,383,054
<b>The District's Covered-Employee Payroll</b>	2,512,222	2,512,222	5,138,821	5,038,336	5,038,336	4,881,245	4,881,245	4,582,550	4,582,550
<b>Total Supplemental Pension Liability as a Percentage Of Covered-employee Payroll</b>	2.55%	3.03%	28.85%	35.45%	40.22%	46.26%	44.38%	50.91%	52.00%

Schedule of Changes in Total Pension Liability - Single Employer  
Year Ended of June 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Pension Liability</b>	\$ 41,518	\$ 41,518	\$ 57,500	\$ 99,417	\$ 100,224	\$ 123,844	\$ 136,332	\$ 110,478	\$ 113,237
Service cost	1,260	2,544	3,668	57,460	62,874	46,086	51,665	87,464	95,600
Interest	-	-	1,479,999	-	-	-	-	-	-
Changes in benefits	-	(34,162)	-	122,057	-	141,766	-	30,907	-
Differences between expected and actual experience	-	2,120	(134,663)	24,790	156,985	-	(219,691)	7,933	(8,932)
Changes of assumptions or other input	-	-	-	-	(80,000)	(80,000)	(60,000)	(70,000)	(150,000)
Benefit payments									
Net change in total pension liability	42,778	12,020	1,406,504	303,724	240,083	231,696	(91,694)	166,782	49,905
<b>Total Pension Liability, Beginning</b>	<u>21,256</u>	<u>64,034</u>	<u>76,054</u>	<u>1,482,558</u>	<u>1,786,282</u>	<u>2,026,365</u>	<u>2,258,061</u>	<u>2,166,367</u>	<u>2,333,149</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 64,034</u>	<u>\$ 76,054</u>	<u>\$ 1,482,558</u>	<u>\$ 1,786,282</u>	<u>\$ 2,026,365</u>	<u>\$ 2,258,061</u>	<u>\$ 2,166,367</u>	<u>\$ 2,333,149</u>	<u>\$ 2,383,054</u>

See notes to required supplementary information

## School District of Mauston

Schedule of District's Proportionate Share of the Net Pension (Asset) Liability -

Wisconsin Retirement System

Year Ended June 30, 2025

<b>Plan Fiscal Year Ending</b>	<b>Proportion of the Net Pension (Asset) Liability</b>	<b>Proportionate Share of the Net Pension (Asset) Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>
12/31/2015	0.05992200%	\$ 973,724	\$ 8,262,050	11.78%	98.20%
12/31/2016	0.05894480%	485,846	8,393,371	5.79%	99.12%
12/31/2017	0.05764700%	(1,711,601)	8,423,299	20.32%	102.93%
12/31/2018	0.05737772%	2,041,319	8,826,868	23.13%	96.45%
12/31/2019	0.05697747%	(1,837,213)	9,094,253	20.20%	102.96%
12/31/2020	0.05649578%	(3,527,109)	9,245,196	38.15%	105.26%
12/31/2021	0.05583306%	(4,500,247)	9,560,273	47.07%	106.02%
12/31/2022	0.05523237%	2,926,047	9,955,590	29.39%	95.72%
12/31/2023	0.05427588%	806,977	10,246,986	7.88%	98.95%
12/31/2024	0.05120749%	843,066	10,010,729	8.42%	98.79%

Schedule of Employer Contributions

Wisconsin Retirement System

Year Ended June 30, 2025

<b>District Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
6/30/2016	\$ 562,577	\$ 562,577	\$ -	\$ 8,260,273	6.81%
6/30/2017	553,750	553,750	-	8,468,204	6.54%
6/30/2018	572,717	572,717	-	8,586,982	6.67%
6/30/2019	588,020	588,020	-	8,928,163	6.59%
6/30/2020	616,383	616,383	-	9,209,455	6.69%
6/30/2021	608,629	608,629	-	9,437,378	6.45%
6/30/2022	633,537	633,537	-	9,744,418	6.50%
6/30/2023	690,081	690,081	-	10,166,610	6.79%
6/30/2024	702,915	702,915	-	10,376,753	6.77%
6/30/2025	689,559	689,559	-	9,843,015	7.01%

See notes to required supplementary information

## School District of Mauston

Schedule of District's Proportionate Share of the Net OPEB Liability - Life  
Year Ended June 30, 2025

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2017	0.13861600%	\$ 416,135	\$ 5,616,583	7.41%	44.81%
12/31/2018	0.13368500%	344,952	6,325,000	5.45%	48.69%
12/31/2019	0.12644500%	538,427	6,105,000	8.82%	37.58%
12/31/2020	0.13068500%	718,862	6,237,000	11.53%	31.36%
12/31/2021	0.13088600%	773,585	5,923,000	13.06%	29.57%
12/31/2022	0.12870800%	490,355	5,980,000	8.20%	38.81%
12/31/2023	0.12355570%	568,443	5,611,000	10.13%	33.90%
12/31/2024	0.11737500%	459,201	5,293,000	8.68%	37.20%

Schedule of Employer Contributions - Life  
Year Ended June 30, 2025

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2018	\$ 2,626	\$ 2,626	\$ -	\$ 8,586,982	0.03%
6/30/2019	3,407	3,407	-	8,928,163	0.04%
6/30/2020	2,689	2,689	-	9,209,455	0.03%
6/30/2021	2,332	2,332	-	8,371,692	0.03%
6/30/2022	3,270	3,270	-	8,651,920	0.04%
6/30/2023	3,140	3,140	-	8,654,920	0.04%
6/30/2024	2,716	2,716	-	8,688,292	0.03%
6/30/2025	3,372	3,372	-	8,688,292	0.04%

See notes to required supplementary information

## School District of Mauston

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Notes to Required Supplementary Information  
Year Ended June 30, 2025

### Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. A budget has been adopted for the General Fund, the Special Education fund, and the Community Service fund in accordance with Section 65.90 of the Wisconsin Statutes.

Reported budget amounts are as amended by School Board resolution. Budgets are adopted at the two-digit sub function level in the general fund and at the fund level for all other funds. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

### Single Employer Defined Benefit Pension Plan

The District is required to present the last ten fiscal years data; however, the standards allow the District to present as many years as are available until ten fiscal years are presented.

*Changes of Benefit Terms:* There were no changes in benefit terms.

*Changes of assumptions:* Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020 rather than the WRS experience study conducted in 2018. Mortality assumptions were also updated to the 2020 WRS experience tables for active employees and healthy retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010, rather than the previously used 2018 mortality table. The discount rates were updated as follows:

- Increased from 4.13% to 4.21% in FY25.
- Increased from 4.00% to 4.13% in FY24.

### Wisconsin Retirement System

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

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

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

## School District of Mauston

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Notes to Required Supplementary Information  
Year Ended June 30, 2025

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

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

### Local Retiree Life Insurance Fund

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The District is required to present the last ten fiscal years data; however, the standards allow the District to present as many years as are available until ten fiscal years are presented.

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

*Changes of Assumptions:* In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

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

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

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

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

## School District of Mauston

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Notes to Required Supplementary Information  
Year Ended June 30, 2025

### OPEB Plan - Health

The District is required to present the last ten fiscal years data; however, the standards allow the District to present as many years as are available until ten fiscal years are presented.

*Changes of benefit terms:* There were no changes in benefit terms in FY25.

- There was one change in benefit terms in FY24. Upon retirement or exhaustion of District-provided benefit, retirees may no longer self-pay to remain on the District's health plan indefinitely.

*Changes of assumptions:* Actuarial assumptions were updated to a more recent study, an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020 rather than the WRS experience study conducted in 2018. Mortality assumptions were also updated to the 2020 WRS experience tables for active employees and healthy retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010, rather than the previously used 2018 mortality table. The discount rates were updated as follows:

- Increased from 4.13% to 4.21% in FY25.
- Increased from 4.00% to 4.13% in FY24.

## **SUPPLEMENTARY INFORMATION**

**School District of Mauston**

Combining Balance Sheet -  
 Nonmajor Governmental Funds  
 June 30, 2025

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Food Service Fund</b>	<b>Trust Fund</b>	<b>Co-Operative Fund</b>	<b>Lemonweir</b>	
<b>Assets</b>					
Cash and investments	\$ 18,304	\$ 388,194	\$ -	\$ -	\$ 406,498
Accounts receivable	2,789	5,584	-	-	8,373
Due from other governments	<u>38,998</u>	<u>-</u>	<u>27,662</u>	<u>149,323</u>	<u>215,983</u>
Total assets	<u>\$ 60,091</u>	<u>\$ 393,778</u>	<u>\$ 27,662</u>	<u>\$ 149,323</u>	<u>\$ 630,854</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 17,531	\$ 3,603	\$ -	\$ -	\$ 21,134
Accrued payroll and related liabilities	8,892	-	-	-	8,892
Due to other funds	-	-	27,662	149,323	176,985
Due to other governments	5,704	-	-	-	5,704
Unearned revenue	<u>27,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,964</u>
Total liabilities	<u>60,091</u>	<u>3,603</u>	<u>27,662</u>	<u>149,323</u>	<u>240,679</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,323</u>	<u>149,323</u>
<b>Fund Balances (Deficit)</b>					
Restricted	-	390,175	-	-	390,175
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,323)</u>	<u>(149,323)</u>
Total fund balances (deficit)	<u>-</u>	<u>390,175</u>	<u>-</u>	<u>(149,323)</u>	<u>240,852</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,091</u>	<u>\$ 393,778</u>	<u>\$ 27,662</u>	<u>\$ 149,323</u>	<u>\$ 630,854</u>

**School District of Mauston**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2025

	<u>Special Revenue Funds</u>					<b>Total Nonmajor Governmental Funds</b>
	<b>Food Service Fund</b>	<b>Trust Fund</b>	<b>(Previous Year Nonmajor Fund) Community Service Fund</b>	<b>Co-Operative Fund</b>	<b>Lemonweir</b>	
<b>Revenues</b>						
Local	\$ 343,976	\$ 250,772	\$ -	\$ 1,676	\$ -	\$ 596,424
State	27,536	-	-	27,662	-	55,198
Federal	817,834	-	-	-	282,076	1,099,910
Total revenues	<u>1,189,346</u>	<u>250,772</u>	<u>-</u>	<u>29,338</u>	<u>282,076</u>	<u>1,751,532</u>
<b>Expenditures</b>						
Instruction:						
Regular	-	246,191	-	-	407,634	653,825
Vocational	-	-	-	14,296	109,537	123,833
Other	-	-	-	1,676	23,597	25,273
Total instruction	<u>-</u>	<u>246,191</u>	<u>-</u>	<u>15,972</u>	<u>540,768</u>	<u>802,931</u>
Support services:						
Pupil service	-	-	-	13,366	-	13,366
Instructional support services	-	-	-	-	37,559	37,559
Administration	-	-	-	-	35,364	35,364
Pupil transportation	-	-	-	-	53,839	53,839
Food service	1,267,371	-	-	-	-	1,267,371
Total support services	<u>1,267,371</u>	<u>-</u>	<u>-</u>	<u>13,366</u>	<u>126,762</u>	<u>1,407,499</u>
Total expenditures	<u>1,267,371</u>	<u>246,191</u>	<u>-</u>	<u>29,338</u>	<u>667,530</u>	<u>2,210,430</u>
Excess (deficiency) of revenues over (under) expenditures	(78,025)	4,581	-	-	(385,454)	(458,898)
<b>Other Financing Sources</b>						
Transfers in	45,861	-	-	-	236,131	281,992
Net change in fund balances	<u>(32,164)</u>	<u>4,581</u>	<u>-</u>	<u>-</u>	<u>(149,323)</u>	<u>(176,906)</u>
<b>Fund Balances, Beginning, as Previously Reported</b>	32,164	385,594	523,825	-	-	941,583
Accounting Changes (See Note Disclosure)	-	-	(523,825)	-	-	(523,825)
<b>Fund Balances, Beginning, as Adjusted</b>	<u>32,164</u>	<u>385,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>417,758</u>
<b>Fund Balances, Ending (Deficit)</b>	<u>\$ -</u>	<u>\$ 390,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (149,323)</u>	<u>\$ 240,852</u>

## School District of Mauston

Schedule of Charter School Authorizer Operating Costs

Year Ended June 30, 2025

### Operating Activity

Employee salaries	\$ 201,703
Employee benefits	74,653
Purchased services	37,904
Noncapital objects	201,750
Capital objects	<u>151,520</u>
Total	<u><u>\$ 667,530</u></u>