

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2025**

**D.C. EVEREST AREA SCHOOL DISTRICT**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
D.C. Everest Area School District  
Schofield, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the D.C. Everest Area School District's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAS 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 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 D.C. Everest Area School 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 D.C. Everest Area School District's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the D.C. Everest Area School District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 15, 2025 on our consideration of the D.C. Everest Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 D.C. Everest Area School District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin  
December 15, 2025

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



## D.C. Everest Area School District

6100 Alderson Street  
Weston, WI 54476  
Phone 715-359-4221

Chris Nichols  
Director of Finance

### MISSION STATEMENT

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

## Management's Discussion and Analysis

### Fiscal Year Ending June 30, 2025

The following discussion and analysis pertain to the financial performance of the D.C. Everest Area School District for the fiscal year ending June 30, 2025. It should be reviewed alongside the District's accompanying financial statements.

This Management's Discussion and Analysis (MD&A) is a part of the Required Supplementary Information, as outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. The MD&A also includes a comparative analysis between the current fiscal year and the prior fiscal year, as required.

### FINANCIAL HIGHLIGHTS

- Total governmental general revenues based on the Statement of Activities were \$97,144,526, including \$25,983,155 from property and other taxes and \$61,439,937 from general state and federal aid. Total governmental activities expenditures were \$101,532,187, including \$50,665,429 for direct instruction.
- The District's financial status, per the Statement of Net Position, increased by \$8,149,791.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



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

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

	<b>District-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental</b>	<b>Fiduciary</b>
Scope	Entire district (except fiduciary funds)	Activities of the District for instruction, the support of instruction, special projects and revenue, debt service, food service, community education, and capital projects as needed.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the District are reported here.
Required financial statements	Statement of Net Assets  Statement of Activities	Balance Sheet  Statement of Revenue, Expenditure, and Change in Fund Balance	Statement of Fiduciary Net Assets  Statement of Change in Fiduciary Net Assets
Basis of accounting and measurement focus	Accrual accounting  Economic resources focus	Modified accrual accounting  Current financial resources focus	Accrual accounting  Economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, consumable assets and liabilities coming due during the year or soon thereafter. There are no capital assets included.	All assets and liabilities. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received, and the related liability are due and payable during the year or soon thereafter.	All additions and/or deductions during the year, regardless of when cash is received or paid.

## DISTRICT-WIDE STATEMENTS

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

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

## FUND FINANCIAL STATEMENTS

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

The District has two kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out; (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- **Fiduciary funds** - The District serves as a trustee, or fiduciary, for various student organizations. The assets of these organizations belong to the organization and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS

### The District as a Whole

Table 1 provides a summary of the District's net position for the year ending June 30, 2025, compared with the prior year. The District's total assets and deferred outflows of resources were \$229,874,604. The District's total liabilities and deferred inflows of resources were \$90,044,171. The District's net position was \$139,830,433. The District's combined net position increased by \$8,149,791.

**Table 1**  
**D.C. Everest Area School District**  
**Statement of Net Position**

	Governmental Activities	
	As of	As of
	June 30, 2024	June 30, 2025
Current and other assets	38,031,516	36,896,040
Capital assets	173,333,859	170,454,072
Deferred Outflow of Resources	32,188,959	22,524,492
<b>Total Assets</b>	<b>243,554,334</b>	<b>229,874,604</b>
Current liabilities	17,338,105	15,865,967
Long-Term liabilities	73,237,497	60,493,407
Deferred Inflow of Resources	21,298,089	13,684,797
<b>Total Liabilities</b>	<b>111,873,691</b>	<b>90,044,171</b>
Net assets		
Invested in capital assets,		
net of related debt	103,845,715	113,898,548
Restricted	7,631,916	6,842,642
Unrestricted	20,203,012	19,089,243
<b>Total Net Assets</b>	<b>131,680,643</b>	<b>139,830,433</b>
<b>Increase (Decrease)</b>		<b>\$ 8,149,791</b>

Table 2 provides summarized operating results and their impact on net position. The District relies primarily on state and federal aid 56% and property taxes 24% of total revenues to fund governmental activities. These two funding sources make up 80% of the total revenues. All other revenues accounted for 20% of total revenue for the year.

The District's total revenues were \$109,681,978 for the year ending June 30, 2025.

The total cost of all programs and services was \$101,532,187. The district experienced an increase in net position of \$8,149,791. The District's expenses are predominantly related to educating and caring for students. Those costs not directly related to instruction are incurred to support the instructional mission.

**Table 2**  
**D.C. Everest Area School District**  
**Statement of Activities**

	Governmental Activities	
	As of	As of
	June 30, 2024	June 30, 2025
Revenues:		
Program Revenues		
Charges for Services	3,219,264	4,198,127
Grants and Contributions	8,588,683	8,339,325
General Revenues		
Property Taxes	26,877,191	25,983,155
State Aid - Formula Grants	58,379,739	61,439,937
Other	37,525,555	9,721,434
<b>Total Revenues</b>	<b>134,590,432</b>	<b>109,681,978</b>
Expenses:		
Instruction	47,926,940	50,665,429
Pupil and Instructional Services	9,081,463	10,544,917
Administration and Business	30,754,601	28,473,100
Interest and Other	2,396,337	2,006,159
Other Expenses	9,604,549	9,842,582
<b>Total Expenses</b>	<b>99,763,890</b>	<b>101,532,187</b>
<b>Change in Accounting Principle</b>		
<b>Change in net assets</b>		<b>8,149,791</b>

### **Net Cost of Governmental Activities.**

Table 3 presents the cost of the major district activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

The net cost of all governmental activities this year was \$88,994,735.

**Table 3**  
**D.C. Everest Area School District**  
**Net Cost of Government Activities**

	Net Cost of Services 2024	Net Cost of Services 2025
Expenses		
Instruction	42,013,086	44,728,631
Pupil and Instructional Services	8,640,576	10,062,326
Administration and Business	26,766,367	24,682,807
Interest on Debt	2,396,337	2,006,159
Other	8,139,577	7,514,812
<b>Total</b>	<b>87,955,943</b>	<b>88,994,735</b>

## **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into three categories:

- \* Implementing budgets for specially funded projects, which include both federal and state grants.
- \* Increasing appropriations for significant unbudgeted costs.
- \* Reallocating the budget between functional lines.

The District prepares and reviews an interim budget in spring for the subsequent year. Consistent with current state statutes and regulations, an original budget is adopted in October following the determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified.

The District's General Fund for 2024-25 showed an equity increase of \$0, resulting in a fund balance of \$20,431,261, 23.8% of revenues.

- Actual General Fund revenues, including fund 27 (less transfer), were \$86,005,341.
- Actual General Fund expenditures, including fund 27 (less transfer), were \$85,030,967

The District's Total Governmental Fund for 2024-25 showed an equity decrease of \$(205,785), resulting in a fund balance of \$27,823,624.

- Actual Governmental Fund revenues and other financing sources were \$108,333,603.
- Actual Governmental Fund expenditures were \$103,672,594.

The change to the total governmental fund balance was due to the following:

<b>Table 4</b>		
<b>D.C. Everest Area School District</b>		
<b>Changes in Governmental Fund Balance</b>		
<b>Fund</b>	<b>Fund Name</b>	<b>Increase (Decrease) in Fund Balance</b>
10/27	General Fund	-
21	Special Revenue Fund	(318,566)
38	Non-Referendum Debt Service Fund	(32,750)
39	Referendum Debt Service Fund	(9,670)
46	Capital Improvement Trust Fund	550,751
49	Other Capital Projects Fund	(399)
50	Food Service Fund	(602,491)
80	Community Service Fund	207,340
	<b>Total</b>	<b>(205,785)</b>

## **Capital Assets**

At the end of the fiscal year, the District had \$231 million in a broad range of capital assets, including land, sites and improvements, buildings, and equipment. The total accumulated depreciation on these assets was \$64 million.

- Asset acquisitions during this fiscal year for governmental activities totaled \$6,624,915.

- Asset deletions during this fiscal year for governmental activities totaled \$609,857.
- The District recognized depreciation expense of \$7,837,727 for Governmental Activities during this fiscal year.

**Table 5**  
**D.C. Everest Area School District**  
**Capital Assets**

	2024	2025
	Governmental	Governmental
	Activities	Activities
Land	835,973	821,265
Construction in Progress	36,305,903	2,509,040
Sites and Improvements	5,527,076	5,541,784
Buildings & Improvements	164,910,908	205,031,996
Equipment	17,574,854	17,265,687
<b>Capital Assets</b>	<b>225,154,714</b>	<b>231,169,772</b>
Accumulated Depreciation	(56,999,077)	(64,272,654)
<b>Assts Less Depreciation</b>	<b>168,155,637</b>	<b>166,897,118</b>

### Long-Term Debt

At year-end, the District had \$50,985,000 in general obligation debt. Additional information about the District's long-term liabilities is presented in the financial statements.

- The District retired \$10,405,000 of outstanding general obligation bonds.

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

### Factors Bearing on the District's Future

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

- In the 2024-25 school year, the district has levied to its maximum. This will make future school budgets more challenging if the State of Wisconsin continues to provide little or no funding increases.
- In the 2024-25 school year, total revenue limit student FTE decreased by 88 compared to the prior school year. This will impact future revenue limit capacity.
- With the most recent third Friday Head Count, the district had 416 students Open Enrollment (OE) in vs. 353 OE out for a positive number of 63. Open enrollment-in has continued to exceed open enrollment-out, which creates a positive funding source for the District.
- The district does not anticipate any significant labor negotiation issues. However, it is concerned with the tight labor pool and increased wage pressures.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances to demonstrate accountability for the money it receives.

If you have questions about this report or need additional financial information, contact Chris Nichols, Director of Finance, by mail at 6100 Alderson Street, Weston, WI, 54476, by phone at (715) 359-4221, ext. 1213, or by email at [cnichols@dce.k12.wi.us](mailto:cnichols@dce.k12.wi.us)

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**BASIC  
FINANCIAL STATEMENTS**



**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**DISTRICT-WIDE  
FINANCIAL STATEMENTS**

**D.C. EVEREST AREA SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and investments	\$ 28,563,121
Receivables	
Accounts	317,115
Taxes	6,706,946
Due from other governments	1,105,339
Prepaid expenses	203,519
Capital assets (net of accumulated depreciation and amortization)	
Capital assets not being depreciated	3,330,305
Capital assets being depreciated	163,566,813
Leased assets being amortized	3,240,076
SBITA assets being amortized	316,878
<b>TOTAL ASSETS</b>	<u>207,350,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Wisconsin Retirement System pension	19,554,512
Wisconsin Retirement System LRLIF	884,275
OPEB healthcare	2,085,705
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>22,524,492</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>229,874,604</b></u>
<b>LIABILITIES</b>	
Accounts payable	1,497,861
Self insurance claims payable	196,658
Accrued liabilities	
Payroll, payroll taxes, insurance	7,155,779
Interest	443,686
Unearned revenue	214,668
Current portion of long-term obligations	6,349,865
Noncurrent portion of long-term obligations	60,493,407
<b>TOTAL LIABILITIES</b>	<u>76,359,374</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Wisconsin Retirement System pension	10,521,635
Wisconsin Retirement System LRLIF	1,982,959
OPEB healthcare	1,180,203
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>13,684,797</u>
<b>NET POSITION</b>	
Net investment in capital assets	113,898,548
Restricted for	
Special revenue	669,419
Debt service	1,978,071
Capital projects	4,146,861
Other activities	48,291
Unrestricted	19,089,243
<b>TOTAL NET POSITION</b>	<u>139,830,433</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><b>\$ 229,874,604</b></u>

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 33,362,870	\$ 62,799	\$ 81,575	\$ (33,218,496)
Vocational instruction	2,348,087	25,031	34,893	(2,288,163)
Special instruction	10,351,115	50,596	5,429,581	(4,870,938)
Other instruction	4,603,357	252,323	-	(4,351,034)
Total instruction	50,665,429	390,749	5,546,049	(44,728,631)
Support services				
Pupil services	5,634,336	-	-	(5,634,336)
Instructional staff services	4,910,581	-	482,591	(4,427,990)
General administration services	769,077	-	-	(769,077)
Building administration services	3,636,311	-	-	(3,636,311)
Business services	22,056,701	1,493,033	2,297,260	(18,266,408)
Central services	1,342,952	-	-	(1,342,952)
Insurance	668,059	-	-	(668,059)
Interest and other	2,006,159	-	-	(2,006,159)
Other support services	2,052,117	2,769	-	(2,049,348)
Community services	2,231,615	2,311,576	13,425	93,386
Total support services	45,307,908	3,807,378	2,793,276	(38,707,254)
Non-program transactions	5,558,850	-	-	(5,558,850)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 101,532,187	\$ 4,198,127	\$ 8,339,325	(88,994,735)
General revenues				
Taxes				
Property taxes				25,930,590
Other taxes				52,565
State and federal aids not restricted to specific functions				61,439,937
Interest and investment earnings				1,116,767
Miscellaneous				8,604,667
Total general revenues				97,144,526
CHANGE IN NET POSITION				8,149,791
NET POSITION - BEGINNING OF YEAR				131,680,642
NET POSITION - END OF YEAR				\$ 139,830,433

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**FUND  
FINANCIAL STATEMENTS**

**D.C. EVEREST AREA SCHOOL DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

	10/27	46	21/38/39/49/50/80	
	GENERAL	LONG-TERM	TOTAL	TOTAL
	FUND	IMPROVEMENT	NONMAJOR	GOVERNMENTAL
		TRUST	FUNDS	FUNDS
<b>ASSETS</b>				
Cash and investments	\$ 23,169,003	\$ 2,139,682	\$ 3,254,436	\$ 28,563,121
Receivables				
Accounts	24,103	-	293,012	317,115
Taxes	6,706,946	-	-	6,706,946
Due from other funds	-	2,329,959	-	2,329,959
Due from other governments	1,029,410	-	75,929	1,105,339
Prepaid expenses	203,519	-	-	203,519
<b>TOTAL ASSETS</b>	<b>31,132,981</b>	<b>4,469,641</b>	<b>3,623,377</b>	<b>39,225,999</b>
<b>LIABILITIES</b>				
Accounts payable	1,093,217	322,780	81,864	1,497,861
Self insurance claims payable	196,658	-	-	196,658
Accrued payroll liabilities	7,074,436	-	81,343	7,155,779
Due to other funds	2,337,409	-	-	2,337,409
Unearned revenue	-	-	214,668	214,668
<b>TOTAL LIABILITIES</b>	<b>10,701,720</b>	<b>322,780</b>	<b>377,875</b>	<b>11,402,375</b>
<b>FUND BALANCES</b>				
Nonspendable	203,519	-	-	203,519
Restricted	48,291	4,146,861	2,647,490	6,842,642
Assigned	-	-	598,012	598,012
Unassigned	20,179,451	-	-	20,179,451
<b>TOTAL FUND BALANCES</b>	<b>20,431,261</b>	<b>4,146,861</b>	<b>3,245,502</b>	<b>27,823,624</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,132,981</b>	<b>\$ 4,469,641</b>	<b>\$ 3,623,377</b>	

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

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

Governmental capital assets	\$ 231,169,772	
Governmental accumulated depreciation	(64,272,654)	166,897,118
Governmental lease assets	\$ 7,519,736	
Governmental accumulated amortization	(4,279,660)	3,240,076
Governmental SBITA assets	\$ 538,338	
Governmental accumulated amortization	(221,460)	316,878

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements: 7,934,193

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements: 905,502

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

General obligation debt	\$ (50,985,000)	
Premium	(2,465,389)	
Capital leases	(2,944,235)	
SBITA	(160,900)	
Accrued interest	(443,686)	
WRS liability	(6,566,266)	
Net OPEB obligation	(3,721,482)	(67,286,958)

**Total net position - governmental activities** **\$ 139,830,433**

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	10/27	46	49	21/38/39/49/50/80	
	GENERAL	LONG-TERM	OTHER	TOTAL	TOTAL
	FUND	CAPITAL	CAPITAL	NONMAJOR	GOVERNMENTAL
		IMPROVEMENT	PROJECTS	GOVERNMENTAL	FUNDS
		TRUST	FUND	FUNDS	FUNDS
<b>REVENUES</b>					
Property taxes	\$ 13,011,274	\$ -	\$ -	\$ 12,962,644	\$ 25,973,918
Other local sources	1,294,504	131,754	-	7,033,897	8,460,155
Interdistrict sources	3,828,711	-	-	-	3,828,711
Intermediate sources	80,861	-	-	34,878	115,739
State sources	64,165,875	-	-	79,700	64,245,575
Federal sources	3,448,448	-	-	1,987,813	5,436,261
Other sources	175,668	-	-	97,576	273,244
<b>TOTAL REVENUES</b>	<b>86,005,341</b>	<b>131,754</b>	<b>-</b>	<b>22,196,508</b>	<b>108,333,603</b>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular instruction	30,549,855	-	-	961,840	31,511,695
Vocational instruction	2,189,837	-	-	-	2,189,837
Special instruction	9,914,895	-	-	-	9,914,895
Other instruction	4,217,216	-	-	259,692	4,476,908
Total instruction	46,871,803	-	-	1,221,532	48,093,335
Support services					
Pupil services	5,420,321	-	-	28,664	5,448,985
Instructional staff services	4,521,558	-	-	-	4,521,558
General administration services	683,223	5,245	-	12,120	700,588
Building administration services	3,505,300	-	-	-	3,505,300
Business services	11,195,397	7,123	-	5,685,470	16,887,990
Central services	925,645	-	-	232	925,877
Insurance	668,059	-	-	-	668,059
Other support services	1,931,746	-	-	95,952	2,027,698
Community services	-	-	-	2,185,164	2,185,164
Total support services	28,851,249	12,368	-	8,007,602	36,871,219
Non-program transactions	5,542,869	-	-	15,981	5,558,850
Debt service					
Principal	2,316,099	-	-	4,200,000	6,516,099
Interest	42,843	-	-	2,263,282	2,306,125
Other	950	-	-	16,119	17,069
Total debt service	2,359,892	-	-	6,479,401	8,839,293
Capital outlay	1,405,154	1,898,594	-	1,006,149	4,309,897
<b>TOTAL EXPENDITURES</b>	<b>85,030,967</b>	<b>1,910,962</b>	<b>-</b>	<b>16,730,665</b>	<b>103,672,594</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>974,374</b>	<b>(1,779,208)</b>	<b>-</b>	<b>5,465,843</b>	<b>4,661,009</b>
<b>OTHER FINANCING (USES) SOURCES</b>					
Net transfer (to) from other funds	(2,330,225)	2,329,959	-	266	-
Sale of capital assets	1,355,851	-	-	-	1,355,851
Payment to debt escrow agent	-	-	-	(6,222,645)	(6,222,645)
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<b>(974,374)</b>	<b>2,329,959</b>	<b>-</b>	<b>(6,222,379)</b>	<b>(4,866,794)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>550,751</b>	<b>-</b>	<b>(756,536)</b>	<b>(205,785)</b>
<b>FUND BALANCE - BEGINNING OF YEAR,</b>					
AS PREVIOUSLY REPORTED	20,431,261	-	399	7,597,749	28,029,409
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	-	3,596,110	(399)	(3,595,711)	-
<b>FUND BALANCE - BEGINNING OF YEAR,</b>					
AS RESTATED	20,431,261	3,596,110	-	4,002,038	28,029,409
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 20,431,261</b>	<b>\$ 4,146,861</b>	<b>\$ -</b>	<b>\$ 3,245,502</b>	<b>\$ 27,823,624</b>

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**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	\$ (205,785)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay reported in fund statements	\$	4,309,897	
Capital outlay reported as other expenses in fund statements		2,269,311	
Depreciation expense reported in the statement of activities		(7,837,727)	
Amortization expense of leased assets in the statement of activities		(1,503,947)	
Amortization expense of SBITA assets in the statement of activities		<u>(117,321)</u>	
Amount by which capital outlays are less than depreciation in the current period:			(2,879,787)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

This year the accrual of these benefits decreased by:	10,644
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Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes:	(1,736,021)
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Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:	(179,926)
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OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes:	84,887
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

Amount of long-term debt principal payments in the current year is:	12,721,099
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In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.

Amount of interest and other debt costs paid during the current period is	\$	2,340,839	
Amount of interest and other debt costs accrued during the current period is		<u>(2,006,159)</u>	
Interest paid is greater than interest accrued by:			<u>334,680</u>

<b>Change in net position - governmental activities</b>	<b><u>\$ 8,149,791</u></b>
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**D.C. EVEREST AREA SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

## FIDUCIARY FUNDS

JUNE 30, 2025

	72	73
	PRIVATE	PENSION (OTHER
	PURPOSE	EMPLOYEE BENEFIT)
	TRUST FUND	TRUST FUND
	<u>SCHOLARSHIPS</u>	<u>EMPLOYEE BENEFIT</u>
<b>ASSETS</b>		
Cash	\$ 194,073	\$ -
Investments	-	3,755,661
<b>TOTAL ASSETS</b>	<b><u>194,073</u></b>	<b><u>3,763,111</u></b>
<b>LIABILITIES</b>		
Accounts payable	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for		
Postemployment benefits other than pensions	-	3,763,111
Individuals and organizations	194,073	-
TOTAL NET POSITION	<u>194,073</u>	<u>3,763,111</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 194,073</u></b>	<b><u>\$ 3,763,111</u></b>

The accompanying notes are an integral part of these statements.



**D.C. EVEREST AREA SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	72 PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>	73 PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND <u>EMPLOYEE BENEFIT</u>
ADDITIONS		
Investment income	\$ 30,627	\$ 198,221
Contributions	<u>-</u>	<u>644,984</u>
TOTAL ADDITIONS	<u>30,627</u>	<u>843,205</u>
DEDUCTIONS		
Disbursements	<u>36,550</u>	<u>1,163,246</u>
TOTAL DEDUCTIONS	<u>36,550</u>	<u>1,163,246</u>
CHANGE IN NET POSITION	(5,923)	(320,041)
NET POSITION - BEGINNING OF YEAR	<u>199,996</u>	<u>4,083,152</u>
<b>NET POSITION - END OF YEAR</b>	<b><u>\$ 194,073</u></b>	<b><u>\$ 3,763,111</u></b>

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - Summary of Significant Accounting Policies**

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

**Reporting Entity** - The D.C. Everest Area School District is organized as a common school district. The District, governed by a seven member elected school board, operates grades K through 12 and is comprised of all or parts of twelve taxing districts.

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

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

**Basis Of Presentation**

**District-Wide Statements**

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

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Fund Financial Statements

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

The District reports the following major governmental funds:

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

Long-Term Capital Improvement Trust Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District has two fiduciary funds which account for scholarships and an employee benefit trust.

**Measurement Focus and Basis of Accounting**

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

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

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

The fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

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

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

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

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

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

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

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

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Prepays** - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**Capital Assets** - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated acquisition value at the date of donation.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	20-70 years
Land improvements	\$5,000	Straight-line	20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years

**Leases** - The District is a lessee because it leases capital assets from other entities. The lease liability is measured using the present value of payments to be made during the lease term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the lease term or the useful life.

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

**Debt Premiums and Discounts** - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

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

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Other Post-Employment Benefits (OPEB)** - The fiduciary net position of the 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 the net OPEB liability (Asset), deferred outflows of resources, and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue). Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

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

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

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

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

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

the governing body. The Board of Education has authorized the assistant superintendent to assign fund balances through its Fund Balance policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**NOTE 2 - Cash and Investments**

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

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

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Wisconsin Investment Series Cooperative	Less than one year	\$ 871,890
State of Wisconsin Investment Pool	Less than one year	21,251
Total		<u>\$ 893,141</u>

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

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

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Wisconsin Investment Trust is determined based on published market quotations (level 1 inputs).

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

**Interest Rate Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within



**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2025**

**NOTE 2 - Cash and Investments - Continued**

not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The State of Wisconsin Local Government Investment Pool and Wisconsin Investment Series Cooperative are not rated.

**Custodial Credit Risk** - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2025, none of the District's bank balance of \$32,943,452 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by U.S. Government or municipal securities held by the bank in the bank's name. None was uninsured and uncollateralized.

**NOTE 3 - Capital Assets**

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

	Beginning Balance	Increases	Decreases	Adjustment	Ending Balance
Capital assets not being depreciated:					
Land	\$ 835,973	\$ -	\$ -	\$ (14,708)	\$ 821,265
Construction in progress	36,305,903	2,509,040	(36,305,903)	-	2,509,040
Total capital assets not being depreciated	37,141,876	2,509,040	(36,305,903)	(14,708)	3,330,305
Capital assets being depreciated:					
Land improvements	5,527,076	-	-	14,708	5,541,784
Buildings and improvements	164,910,908	40,121,088	-	-	205,031,996
Equipment	17,574,854	300,690	(609,857)	-	17,265,687
Total capital assets being depreciated	188,012,838	40,421,778	(609,857)	14,708	227,839,467
Less accumulated depreciation for:					
Land improvements	(3,213,046)	(372,791)	-	(7,476)	(3,593,313)
Buildings and improvements	(41,089,811)	(6,357,222)	-	-	(47,447,033)
Equipment	(12,696,220)	(1,107,714)	571,626	-	(13,232,308)
Total accumulated depreciation	(56,999,077)	(7,837,727)	571,626	(7,476)	(64,272,654)
Total capital assets being depreciated, net of accumulated depreciation	131,013,761	32,584,051	(38,231)	7,232	163,566,813
Capital assets, net of accumulated depreciation	\$ 168,155,637	\$ 35,093,091	\$ (36,344,134)	\$ (7,476)	\$ 166,897,118

Depreciation expense was charged to governmental functions as follows:

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2025**

**NOTE 3 - Capital Assets - Continued**

Regular instruction	\$ 34,435
Vocational instruction	56,504
Special education instruction	14,596
Other instruction	15,719
Pupil services	1,446
Instructional staff services	6,805
General administration services	27,833
Building administration services	9,885
Business services	7,251,049
Other support services	399,015
Community services	20,440
Total	<u>\$ 7,837,727</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being amortized:				
Leased equipment	\$ 7,519,736	\$ -	\$ -	\$ 7,519,736
SBITA asset	538,338	-	-	538,338
Total capital assets being amortized	<u>8,058,074</u>	<u>-</u>	<u>-</u>	<u>8,058,074</u>
Less accumulated amortization for:				
Leased equipment	(2,775,713)	(1,503,947)	-	(4,279,660)
SBITA asset	(104,139)	(117,321)	-	(221,460)
Total accumulated amortization	<u>(2,879,852)</u>	<u>(1,621,268)</u>	<u>-</u>	<u>(4,501,120)</u>
Total capital assets being amortized, net of accumulated amortization	<u>5,178,222</u>	<u>(1,621,268)</u>	<u>-</u>	<u>3,556,954</u>
Capital assets, net of accumulated amortization	<u>\$ 5,178,222</u>	<u>\$ (1,621,268)</u>	<u>\$ -</u>	<u>\$ 3,556,954</u>

The District leases iPads, other equipment, and contracts with various vendors for the right to use their IT software. Amortization expense was charged to the following:

Regular instruction	\$ 991,483
Vocational instruction	36,423
Special education instruction	145,693
Pupil services	36,423
Instructional staff services	291,387
General administration services	36,423
Building administration services	36,423
Business services	47,013
Total	<u>\$ 1,621,268</u>

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 3 - Capital Assets - Continued**

The District leases iPads until July 5, 2027 at a 0% interest rate and other equipment until June 20, 2028 at a 18.15% interest rate. The District contracts with Canvas for the right to use their instruction software until June 30, 2027.

**NOTE 4 - Long-Term Obligations**

Long-term obligations are as follows:

	Beginning			Ending	Amounts
	Balance	Increases	Decreases	Balance	Due Within
					One Year
Bonds payable	\$ 61,390,000	\$ -	\$ (10,405,000)	\$ 50,985,000	\$ 4,465,000
Leases	5,200,182	-	(2,255,947)	2,944,235	971,836
SBITA	221,052	-	(60,152)	160,900	63,711
Premium	2,674,430	-	(209,041)	2,465,389	204,334
Compensated absences - vacation	10,644	-	(10,644)	-	-
Wisconsin Retirement System					
Net pension liability	3,423,948	180,379	-	3,604,327	-
LRLIF	3,495,554	-	(533,615)	2,961,939	-
OPEB healthcare	3,590,841	988,319	(857,678)	3,721,482	644,984
Total	<u>\$ 80,006,651</u>	<u>\$ 1,168,698</u>	<u>\$ (14,332,077)</u>	<u>\$ 66,843,272</u>	<u>\$ 6,349,865</u>

Interest cost incurred during the year totaled \$1,989,090 and total interest paid during the year aggregated \$2,323,770 including \$33,837 for capital leases and \$9,006 for SBITAs.

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

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	12/29/17	3-5%	4/1/37	\$ 19,745,000
Refunding bonds	7/2/18	3-5%	4/1/38	31,240,000
Total				<u>\$ 50,985,000</u>

**General Obligation Debt Limit Calculation** - The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,854,700,042. The legal debt limit and margin of indebtedness as of June 30, 2025, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (10 percent of \$3,854,700,042)	\$ 385,470,004
Applicable long-term debt	(50,985,000)
Amount available in debt service fund	1,978,071
Margin of indebtedness	<u>\$ 336,463,075</u>

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 4 - Long-Term Obligations - Continued**

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2026	\$ 4,465,000	\$ 2,093,481	\$ 6,558,481
2027	4,690,000	1,870,231	6,560,231
2028	4,930,000	1,635,731	6,565,731
2029	5,150,000	1,403,781	6,553,781
2030	5,325,000	1,234,281	6,559,281
2031-2035	22,550,000	3,428,963	25,978,963
2036-2037	3,875,000	175,350	4,050,350
	<u>\$ 50,985,000</u>	<u>\$ 11,841,818</u>	<u>\$ 62,826,818</u>

Year Ending June 30	Leases		SBITA		Total
	Principal	Interest	Principal	Interest	
2026	\$ 971,836	\$26,334	\$ 63,711	\$ 6,555	\$1,068,436
2027	980,821	17,350	67,495	3,960	1,069,626
2028	991,578	6,592	29,694	1,210	1,029,074
	<u>\$2,944,235</u>	<u>\$50,276</u>	<u>\$160,900</u>	<u>\$11,725</u>	<u>\$3,167,136</u>

**Cash Defeasance** - The District defeased \$6,205,000 of outstanding 2018 bonds by depositing \$6,222,645 with an escrow agent to reduce future debt service payments. The transaction resulted in an economic gain of \$2,023,054 and a reduction of \$8,154,784 in future debt service payments.

**Defeased Debt** - The District defeased general obligation debt by depositing money in an irrevocable trust account for future debt service payments of the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2025, there is \$22,960,000 of defeased debt remaining.

**NOTE 5 - Wisconsin Retirement System**

**General Information about the Pension Plan**

**Plan Description** - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 5 - Wisconsin Retirement System - Continued**

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)
2024	3.6	15

**Contributions** - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 5 - Wisconsin Retirement System - Continued**

Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,172,147 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

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

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

At June 30, 2025, the District reported a liability (asset) of \$3,604,327 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.2193527% which was a decrease of 0.01093615% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$4,913,050.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,193,413	\$ 10,518,295
Net differences between projected and actual earnings on pension plan investments	5,476,966	-
Changes in assumptions	1,069,473	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	182,738	3,340
Employer contributions subsequent to the measurement date	1,631,922	-
Total	\$ 19,554,512	\$ 10,521,635

\$1,631,922 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 5 - Wisconsin Retirement System - Continued**

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

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ 2,233,224
2027	7,531,761
2028	(1,805,658)
2029	(558,372)
Thereafter	-

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023. Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments:*	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumption 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 arithmetic real rates of return for each major asset class are summarized in the following table:

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2025**

**NOTE 5 - Wisconsin Retirement System - Continued**

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	38	7	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive Assets	20	9.5	6.7
Real Estate	19	4.8	2.1
Private Equity/Debt	8	6.5	3.8
Leverage	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset Class			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

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

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

**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 single 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 Services Aa2 rating and Standard and Poor's Corp.'s AA .). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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



**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 5 - Wisconsin Retirement System - Continued**

	1% Decrease to Discount Rate (5.8%)	Current Single Discount Rate Assumption (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 33,813,302	\$ 3,604,327	\$ (17,858,281)

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

**Payables to the Pension Plan** - The District reported a payable of \$854,780 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund**

**General Information about the Other Post Employment Benefits**

**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 post employment life insurance benefits for all eligible employees.

**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 also be found using the link above.

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

**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 post retirement benefit.

Employers are required to pay the following contributions 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2024 are:

Coverage Type	Employer Contribution
50% post-retirement coverage	40% of employee contribution
25% post-retirement coverage	20% of employee contribution

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

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

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$16,317 in contributions from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$2,961,939 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) 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 (asset) 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 0.757092%, which was a decrease of .002703% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$196,152.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 308,146
Net differences between projected and actual earnings on OPEB plan investments	40,676	-
Changes in assumptions	726,776	1,661,289
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,656	13,524
Employer contributions subsequent to the measurement date	8,167	-
Total	\$ 884,275	\$ 1,982,959

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

\$8,167 reported as deferred outflows 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 ended 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 (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ (69,142)
2027	(213,791)
2028	(322,038)
2029	(315,974)
Thereafter	(185,906)

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2024 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
WRS 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%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyer 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.

**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.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued**

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

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Intern Credit	40	2.41
US Mortgages	Bloomberg US MBS	60	2.71
Inflation			2.3
Long-term Expected Rate of Return			4.25

**Single Discount Rate** - A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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 payments to the extent that the plan's fiduciary net position is 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.

**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 percent, 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 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's proportionate share of the net OPEB liability (asset)	\$ 3,959,046	\$ 2,961,939	\$ 2,193,578

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

**NOTE 7 - Interfund Balance and Activity**

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 7 - Interfund Balance and Activity - Continued**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Long term capital improvement trust	General	\$ 2,329,959

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

Interfund transfers at June 30, 2025 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Long-term capital improvement trust	\$ 2,329,959
Food service	General	\$ 266

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

**NOTE 8 - Post Employment Benefits Other Than Pensions**

**General Information about the Post Employment Benefits Other Than Pensions**

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

**Benefits Provided** - Current benefits apply to administrators, teachers, and support staff who retired prior to 7/1/14. Eligible retirees receive grandfathered benefits that are no longer provided which are premium contributions towards health insurance for up to seven years as of the retirement date.

Administrators hired on or after July 1, 2014 and at least age 55 with 15 years of service in the District will receive \$60,000 deposited into a HRA account if they retire prior to age 65 and are salaried. If salaried administrators retire after the age 65, they will receive \$30,000 deposited into a HRA account.

Teachers, at-will salaried, and hourly employees hired prior to July 1, 2014 benefits range depending on the length of service and if the retiree retired prior to 65 or subsequent to age 65. If retired prior to age 65, they will receive \$30,000 to \$60,000 deposited into a HRA account with the service length ranging from 15 to 35 years. If retired after the age 65, they will receive \$15,000 to \$30,000 deposited into a HRA account with the service length ranging from 15 to 35 years of service.

**Employees Covered** - As of the June 30, 2021 measurement date, the following employees were covered by the benefit terms. The plan is closed to new entrants, with the exception of administrators.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>741</u>
Total	<u>748</u>

**Contributions** - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2025, contribution rates for Plan members were \$-0- per participant per month and \$66-\$300 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$-0- and the District contributed \$644,984 to the plan.

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Amortization Period:	20 years
Asset Valuation Method:	Fair Market Value
Discount Rate:	4.25%
Salary Increases:	3%
Mortality:	2020 WRS Experience Tables
Medical Care Cost Trend:	7% decreasing to 6.50%, then decreasing by .1% per year down to 4.5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2023. Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

The OPEB liability for June 30, 2025 is based upon an update of the liability calculated from the June 30, 2023 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

**Discount Rate** - A discount rate of 4.25% was used to measure the total OPEB healthcare liability. This discount rate was based on the expected rate of return on plan investments of 4.25%. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate did incorporate a municipal bond rate.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

**Changes in the Net OPEB Healthcare Liability**

	Increase (Decrease)		
	Total OPEB Healthcare Liability (a)	Fiduciary Net Position (b)	Net OPEB Healthcare Liability (a) - (b)
Beginning balance	\$ 7,697,783	\$ 4,106,942	\$ 3,590,841
Changes for the year:			
Service cost	370,647	-	370,647
Interest	308,412	-	308,412
Differences between expected and actual experience	291,260	-	291,260
Changes of assumptions or other input	(32,464)	-	(32,464)
Contributions - employer	-	644,984	(644,984)
Net investment income	-	180,230	(180,230)
Benefit payments	(831,004)	(831,004)	-
Administrative expense	-	(18,000)	18,000
Net changes	106,851	(23,790)	130,641
Ending balance	\$ 7,804,634	\$ 4,083,152	\$ 3,721,482

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

The following presents the net OPEB healthcare liability calculated using the healthcare cost trend rate of 7 percent decreasing to 4.5 percent for all years, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6 percent decreasing to 3.5 percent for all years) or 1-percentage-point higher (8 percent decreasing to 5.5 percent for all years) than the current rate:

	1% Decrease to (6% decreasing to 3.5%)	Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1% Increase to (8% decreasing to 5.5%)
Net OPEB healthcare liability	\$ 3,675,604	\$ 3,721,482	\$ 3,774,160

**Sensitivity of the Net OPEB Healthcare Liability to Changes in the Discount Rate -** The following presents the net OPEB healthcare liability calculated using the discount rate of 4.25 percent, as well as what the net OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Net OPEB healthcare liability	\$ 3,987,551	\$ 3,721,482	\$ 3,449,898

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

For the year ended June 30, 2025, the District recognized OPEB healthcare expense (revenue) of \$560,097.

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 8 - Post Employment Benefits Other Than Pensions - Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,243,032	\$ 279,882
Changes in assumptions	131,289	900,321
Net differences between projected and actual earnings on pension plan investments	66,400	-
Employer contributions subsequent to the measurement date	644,984	-
Total	\$ 2,085,705	\$ 1,180,203

\$644,984 reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2026	\$ 24,931
2027	22,388
2028	15,807
2029	(5,046)
Thereafter	202,438

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

**NOTE 9 - Fund Balance and Net Position**

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

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nondisposable		
General	Prepays	\$ 203,519
Restricted		
General	Common school fund	\$ 48,291
Food service	DPI regulation	\$ 386,334
Non-referendum debt service	Principal and interest	\$ 400,100
Referendum debt service	Principal and interest	\$ 1,577,971
Long-term capital improvement trust	DPI regulation	\$ 4,146,861
Community service	Specific expenses	\$ 283,085
Assigned		
Special revenue trust	Donor specific expenses	\$ 598,012



**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 9 - Fund Balance and Net Position - Continued**

Governmental Activities

Restricted

Special revenue	DPI regulation	\$	669,419
Debt service	Principal and interest	\$	1,978,071
Capital projects	DPI regulation	\$	4,146,861
Other activities	Common school fund	\$	48,291

The District has adopted a minimum fund balance policy with a goal of 15% of general fund expenditures to be maintained for working capital purposes.

**NOTE 10 - Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance, except for self-insured dental benefits as described in Note 13. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

**NOTE 11 - Commitments and Contingencies**

The District has a service agreement with Cooperative Education Service Agency #9 for services to be provided to the District in 2025-2026. Expected costs are \$132,367.

The District has a transportation agreement with estimated costs for the following school years:

2025-2026	\$ 3,054,100
2026-2027	3,405,875
2027-2028	3,473,993
2028-2029	<u>3,543,472</u>
	<u>\$ 13,477,440</u>

The District is aware some older buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling, or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and have not recorded a liability.

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's attorney that the likelihood is remote that any such claims or proceedings will have a material effect on the District's financial position or results of operations.

**NOTE 12 - Limitation of School District Revenue**

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution

**D.C. EVEREST AREA SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025

**NOTE 12 - Limitation of School District Revenue - Continued**

of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

**NOTE 13 - Self-Funded Insurance**

The District established a self-funded dental benefit plan for its employees. The plan administrators are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for an administrative fee. The plan reports on a fiscal year ending June 30, 2025.

Accounting and budgeting requirements for the plan are established by the Wisconsin Department of Public Instruction. Currently, the plan is accounted for in the general fund and other funds of the District.

The District has no stop-loss coverage for dental care coverage of the plan.

The District has reported a liability of \$196,658, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. Changes in the claims liability for the years ended June 30, 2025 and June 30, 2024 are as follows:

	Year Ended <u>June 30, 2025</u>	Year Ended <u>June 30, 2024</u>
Beginning liability balance	\$ 196,893	\$ 56,000
Claims and changes in estimates	1,125,808	1,103,645
Claim payments	<u>(1,125,820)</u>	<u>(962,740)</u>
Ending liability balance	<u>\$ 196,658</u>	<u>\$ 196,893</u>

**NOTE 14 - Change Within the Financial Reporting Entity**

The long-term capital improvement trust fund changed from a nonmajor fund to a major fund. The other capital projects fund changed from a major fund to a nonmajor fund.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balance		
	Funds		Nonmajor
	Other Capital Projects Fund	Long-Term Capital Improvement Trust	Governmental Funds
June 30, 2024, as previously reported	\$ 399	\$ -	\$ 7,597,749
Change from nonmajor to major	-	3,596,110	(3,596,110)
Change from major to nonmajor	(399)	-	399
June 30, 2024, as restated	<u>\$ -</u>	<u>\$ 3,596,110</u>	<u>\$ 4,002,038</u>

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
<b>REVENUES</b>										
Property taxes	\$ 13,008,900	\$ -	\$ 13,008,900	\$ 13,008,900	\$ -	\$ 13,008,900	\$ 13,011,274	\$ -	\$ 13,011,274	\$ 2,374
Other local sources	949,359	-	949,359	993,218	-	993,218	1,294,504	-	1,294,504	301,286
Interdistrict sources	3,748,573	27,628	3,776,201	3,748,573	27,628	3,776,201	3,776,475	52,236	3,828,711	52,510
Intermediate sources	-	46,586	46,586	2,900	46,586	49,486	2,900	77,961	80,861	31,375
State sources	60,142,326	3,840,383	63,982,709	60,614,699	3,840,383	64,455,082	60,569,842	3,596,033	64,165,875	(289,207)
Federal sources	1,787,663	1,983,982	3,771,645	1,828,949	2,012,424	3,841,373	1,696,001	1,752,447	3,448,448	(392,925)
Other sources	146,706	-	146,706	146,706	-	146,706	171,863	3,805	175,668	28,962
<b>TOTAL REVENUES</b>	<b>79,783,527</b>	<b>5,898,579</b>	<b>85,682,106</b>	<b>80,343,945</b>	<b>5,927,021</b>	<b>86,270,966</b>	<b>80,522,859</b>	<b>5,482,482</b>	<b>86,005,341</b>	<b>(265,625)</b>
<b>EXPENDITURES</b>										
Current										
Instruction										
Regular instruction	31,722,715	-	31,722,715	31,772,891	-	31,772,891	30,549,855	-	30,549,855	1,223,036
Vocational instruction	2,225,192	-	2,225,192	2,228,470	-	2,228,470	2,189,837	-	2,189,837	38,633
Special instruction	-	10,347,007	10,347,007	-	10,344,630	10,344,630	-	9,914,895	9,914,895	429,735
Other instruction	4,360,195	-	4,360,195	4,329,445	-	4,329,445	4,217,216	-	4,217,216	112,229
<b>Total instruction</b>	<b>38,308,102</b>	<b>10,347,007</b>	<b>48,655,109</b>	<b>38,330,806</b>	<b>10,344,630</b>	<b>48,675,436</b>	<b>36,956,908</b>	<b>9,914,895</b>	<b>46,871,803</b>	<b>1,803,633</b>
Support services										
Pupil services	3,804,665	1,918,710	5,723,375	3,807,598	1,925,317	5,732,915	3,614,196	1,806,125	5,420,321	312,594
Instructional staff services	4,010,734	648,383	4,659,117	4,123,047	605,684	4,728,731	4,010,153	511,405	4,521,558	207,173
General administration services	814,325	-	814,325	809,725	-	809,725	683,223	-	683,223	126,502
Building administration services	3,519,300	-	3,519,300	3,514,204	-	3,514,204	3,505,300	-	3,505,300	8,904
Business services	10,877,170	744,565	11,621,735	10,843,022	742,135	11,585,157	10,524,975	670,422	11,195,397	389,760
Central services	1,078,325	20,950	1,099,275	1,065,391	21,600	1,086,991	908,066	17,579	925,645	161,346
Insurance	713,063	-	713,063	713,063	-	713,063	668,059	-	668,059	45,004
Other support services	1,962,368	-	1,962,368	1,991,314	-	1,991,314	1,931,746	-	1,931,746	59,568
<b>Total support services</b>	<b>26,779,950</b>	<b>3,332,608</b>	<b>30,112,558</b>	<b>26,867,364</b>	<b>3,294,736</b>	<b>30,162,100</b>	<b>25,845,718</b>	<b>3,005,531</b>	<b>28,851,249</b>	<b>1,310,851</b>
Non-program transactions	4,672,296	441,000	5,113,296	5,265,901	518,085	5,783,986	5,201,645	341,224	5,542,869	241,117
Debt service										
Principal	2,369,068	-	2,369,068	2,360,681	-	2,360,681	2,316,099	-	2,316,099	44,582
Interest	4,105	-	4,105	4,105	-	4,105	42,843	-	42,843	(38,738)
Other	1,500	-	1,500	1,500	-	1,500	950	-	950	550
<b>Total debt service</b>	<b>2,374,673</b>	<b>-</b>	<b>2,374,673</b>	<b>2,366,286</b>	<b>-</b>	<b>2,366,286</b>	<b>2,359,892</b>	<b>-</b>	<b>2,359,892</b>	<b>6,394</b>
Capital outlay	726,470	-	726,470	903,416	-	903,416	1,405,154	-	1,405,154	(501,738)
<b>TOTAL EXPENDITURES</b>	<b>72,861,491</b>	<b>14,120,615</b>	<b>86,982,106</b>	<b>73,733,773</b>	<b>14,157,451</b>	<b>87,891,224</b>	<b>71,769,317</b>	<b>13,261,650</b>	<b>85,030,967</b>	<b>2,860,257</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,922,036</b>	<b>(8,222,036)</b>	<b>(1,300,000)</b>	<b>6,610,172</b>	<b>(8,230,430)</b>	<b>(1,620,258)</b>	<b>8,753,542</b>	<b>(7,779,168)</b>	<b>974,374</b>	<b>2,594,632</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfer (to) / from other funds	(8,222,036)	8,222,036	-	(10,567,839)	8,230,430	(2,337,409)	(10,109,393)	7,779,168	(2,330,225)	7,184
Sale of capital assets	1,300,000	-	1,300,000	1,300,000	-	1,300,000	1,355,851	-	1,355,851	55,851
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,922,036)</b>	<b>8,222,036</b>	<b>1,300,000</b>	<b>(9,267,839)</b>	<b>8,230,430</b>	<b>(1,037,409)</b>	<b>(8,753,542)</b>	<b>7,779,168</b>	<b>(974,374)</b>	<b>63,035</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,657,667)</b>	<b>-</b>	<b>(2,657,667)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,657,667</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>20,431,261</b>	<b>-</b>	<b>20,431,261</b>	<b>20,431,261</b>	<b>-</b>	<b>20,431,261</b>	<b>20,431,261</b>	<b>-</b>	<b>20,431,261</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 20,431,261</b>	<b>\$ -</b>	<b>\$ 20,431,261</b>	<b>\$ 17,773,594</b>	<b>\$ -</b>	<b>\$ 17,773,594</b>	<b>\$ 20,431,261</b>	<b>\$ -</b>	<b>\$ 20,431,261</b>	<b>\$ 2,657,667</b>

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**JUNE 30, 2025**

**NOTE 1 - Budgetary Information** - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

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

**NOTE 2 - Excess of Actual Expenditure Over Budget** - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	Interest	\$	38,738
General/Special Education	Capital outlay		501,738

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES**  
**YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	0.21935270%	\$ 3,604,327	\$44,850,611	8.04%	98.79%
2023	0.23028885%	3,423,948	42,579,083	8.04%	98.85%
2022	0.24148798%	12,793,317	41,665,945	30.70%	95.72%
2021	0.24669817%	(19,884,326)	42,025,329	-47.32%	106.02%
2020	0.24714664%	(15,429,707)	41,992,788	-36.74%	105.26%
2019	0.24529535%	(7,909,441)	39,227,989	-20.16%	102.96%
2018	0.24584725%	8,746,474	37,596,290	23.26%	96.45%
2017	0.24755213%	(7,350,116)	36,582,096	-20.09%	102.93%
2016	0.24666233%	2,033,087	35,668,105	5.70%	99.12%
2015	0.24736995%	4,019,714	35,465,311	11.33%	98.20%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 3,172,147	\$ (3,172,147)	\$ -	\$ 45,802,994	6.93%
2024	3,003,854	(3,003,854)	-	43,843,017	6.85%
2023	2,856,124	(2,856,124)	-	42,958,827	6.65%
2022	2,781,411	(2,781,411)	-	42,025,329	6.62%
2021	2,834,513	(2,834,513)	-	41,992,788	6.75%
2020	2,569,444	(2,569,444)	-	39,227,989	6.55%
2019	2,518,951	(2,518,951)	-	37,596,290	6.70%
2018	2,487,690	(2,487,690)	-	36,582,096	6.80%
2017	2,353,922	(2,353,922)	-	35,668,105	6.60%
2016	2,411,641	(2,411,641)	-	35,465,311	6.80%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

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

Changes of benefit terms - there were no changes of benefit terms for any participating employer in WRS.

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

- \* Lowering the long-term expected rate of return from 7% to 6.8%
- \* Lowering the discount rate from 7% to 6.8%
- \* Lowering the price inflation rate from 2.5% to 2.4%
- \* Lowering the post-retirement adjustments from 1.9% to 1.7%
- \* Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

- \* Lowering the long-term expected rate of return from 7.2% to 7%
- \* Lowering the discount rate from 7.2% to 7%
- \* Lowering the wage inflation rate from 3.2% to 3%
- \* Lowering the price inflation rate from 2.7% to 2.5%
- \* Lowering the post-retirement adjustments from 2.1% to 1.9%
- \* Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED JUNE 30, 2025**

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

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1% - 5.7%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	1.7%	1.9%	1.9%	1.9%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018- 2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018- 2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015- 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015- 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012- 2014.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED JUNE 30, 2025**

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

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

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

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



**D.C. EVEREST AREA SCHOOL DISTRICT**  
**WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last 10 Fiscal Years \***

OPEB Plan	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Fiscal Year	Liability (Asset)	Liability (Asset)	Payroll	Covered Payroll	Liability (Asset)
2024	0.75709200%	\$ 2,961,939	\$41,598,000	7.12%	37.20%
2023	0.75979500%	3,495,554	39,966,000	8.75%	33.90%
2022	0.76014900%	2,896,036	40,322,000	7.18%	38.81%
2021	0.73193800%	4,326,024	40,118,000	10.78%	29.57%
2020	0.71665700%	3,942,131	38,400,000	10.27%	31.36%
2019	0.71368800%	3,039,023	38,076,000	7.98%	37.58%
2018	0.70300300%	1,813,985	36,844,000	4.92%	48.69%
2017	0.67954400%	2,044,463	28,576,769	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years \***

District Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
End	Contributions	Contributions	(Excess)	Covered Payroll	Covered Payroll
2025	\$ 16,317	\$ (16,317)	\$ -	\$ 41,852,000	0.04%
2024	15,673	(15,673)	-	40,021,000	0.04%
2023	15,643	(15,643)	-	40,169,000	0.04%
2022	16,681	(16,681)	-	40,118,000	0.04%
2021	14,290	(14,290)	-	38,400,000	0.04%
2020	12,901	(12,901)	-	38,076,000	0.03%
2019	13,544	(13,544)	-	36,844,000	0.04%
2018	12,904	(12,904)	-	28,576,769	0.05%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

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

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

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% to 4.25%
- \* Lowering the wage inflation rate from 3.2% to 3%
- \* 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.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES**  
**YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF CHANGES IN THE NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Healthcare Liability</b>								
Service cost	\$ 370,647	\$ 388,696	\$ 472,015	\$ 528,765	\$ 500,913	\$ 600,917	\$ 547,618	\$ 518,700
Interest	308,412	308,825	186,482	172,619	197,208	235,703	242,459	240,570
Differences between expected and actual experience	291,260	(148,968)	259,518	934,377	-	(303,085)	310,890	(9,407)
Changes of assumptions or other input	(32,464)	78,533	(466,603)	35,354	72,469	(1,041,225)	-	-
Benefit payments	<u>(831,004)</u>	<u>(911,173)</u>	<u>(1,043,283)</u>	<u>(1,009,909)</u>	<u>(991,837)</u>	<u>(972,383)</u>	<u>(964,793)</u>	<u>(752,556)</u>
Net Changes in Total OPEB Healthcare Liability	106,851	(284,087)	(591,871)	661,206	(221,247)	(1,480,073)	136,174	(2,693)
Total OPEB Healthcare Liability - Beginning	<u>7,697,783</u>	<u>7,981,870</u>	<u>8,573,741</u>	<u>7,912,535</u>	<u>8,133,782</u>	<u>9,613,855</u>	<u>9,477,681</u>	<u>9,480,374</u>
<b>Total OPEB Healthcare Liability - Ending (a)</b>	<b>\$ 7,804,634</b>	<b>\$ 7,697,783</b>	<b>\$ 7,981,870</b>	<b>\$ 8,573,741</b>	<b>\$ 7,912,535</b>	<b>\$ 8,133,782</b>	<b>\$ 9,613,855</b>	<b>\$ 9,477,681</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 644,984	\$ 740,968	\$ 745,801	\$ 736,097	\$ 729,245	\$ 729,900	\$ 850,781	\$ 828,676
Contributions - employee	-	-	-	-	-	-	68,658	120,785
Net investment income	180,230	60,990	63,851	88,496	99,137	96,978	94,243	(44,272)
Benefit payments	<u>(831,004)</u>	<u>(911,173)</u>	<u>(1,043,283)</u>	<u>(1,009,909)</u>	<u>(991,837)</u>	<u>(972,383)</u>	<u>(964,793)</u>	<u>(752,556)</u>
Administrative expense	(18,000)	-	-	-	-	-	-	-
Net Changes in Plan Fiduciary Net Position	(23,790)	(109,215)	(233,631)	(185,316)	(163,455)	(145,505)	48,889	152,633
Plan Fiduciary Net Position - Beginning	<u>4,106,942</u>	<u>4,216,157</u>	<u>4,449,788</u>	<u>4,635,104</u>	<u>4,798,559</u>	<u>4,944,064</u>	<u>4,895,175</u>	<u>4,742,542</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 4,083,152</b>	<b>\$ 4,106,942</b>	<b>\$ 4,216,157</b>	<b>\$ 4,449,788</b>	<b>\$ 4,635,104</b>	<b>\$ 4,798,559</b>	<b>\$ 4,944,064</b>	<b>\$ 4,895,175</b>
<b>Net OPEB Healthcare Liability - Ending (a) - (b)</b>	<b>\$ 3,721,482</b>	<b>\$ 3,590,841</b>	<b>\$ 3,765,713</b>	<b>\$ 4,123,953</b>	<b>\$ 3,277,431</b>	<b>\$ 3,335,223</b>	<b>\$ 4,669,791</b>	<b>\$ 4,582,506</b>
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	52.32%	53.35%	52.82%	51.90%	58.58%	59.00%	51.43%	51.65%
Covered payroll	\$41,629,177	\$41,629,177	\$39,707,670	\$39,707,670	\$39,061,710	\$39,061,710	\$27,924,743	\$ 28,347,731
Net OPEB Healthcare Liability as a percentage of covered payroll	8.94%	8.63%	9.48%	10.39%	8.39%	8.54%	16.72%	16.17%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 644,984	\$ 740,968	\$ 740,968	\$ 736,097	\$ 736,097	\$ 709,992	\$ 709,992	\$ 803,542
Contributions in relation to the actuarially determined contributions	<u>(644,984)</u>	<u>(740,968)</u>	<u>(745,801)</u>	<u>(736,097)</u>	<u>(729,245)</u>	<u>(729,900)</u>	<u>(850,781)</u>	<u>(828,676)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (4,833)	\$ -	\$ 6,852	\$ (19,908)	\$ (140,789)	\$ (25,134)
Covered payroll	\$41,629,177	\$41,629,177	\$39,707,670	\$39,707,670	\$39,061,710	\$39,061,710	\$27,924,743	\$ 28,347,731
Contributions as a percentage of covered payroll	1.55%	-1.78%	1.88%	1.85%	1.87%	1.87%	3.05%	2.92%
Actuarial valuation date	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2018	6/30/2017
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

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

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level percent amortization, fair market value asset valuation, 4.25% discount rate, 3% salary increases, 2020 WRS Experience Tables.

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

Changes of assumptions - there were no changes in the assumptions.

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**SUPPLEMENTARY INFORMATION**

**D.C. EVEREST AREA SCHOOL DISTRICT**

COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025

	21	50	80	38	39	49	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM	REFERENDUM APPROVED	OTHER CAPITAL PROJECTS FUND	
<b>ASSETS</b>							
Cash and investments	\$ 603,085	\$ 496,072	\$ 177,208	\$ 400,100	\$ 1,577,971	\$ -	\$ 3,254,436
Receivables							
Accounts	-	1,308	291,704	-	-	-	293,012
Due from other governments	-	75,929	-	-	-	-	75,929
<b>TOTAL ASSETS</b>	<b>603,085</b>	<b>573,309</b>	<b>468,912</b>	<b>400,100</b>	<b>1,577,971</b>	<b>-</b>	<b>3,623,377</b>
<b>LIABILITIES</b>							
Accounts payable	1,498	44,102	36,264	-	-	-	81,864
Accrued payroll liabilities	3,575	19,594	58,174	-	-	-	81,343
Unearned revenue	-	123,279	91,389	-	-	-	214,668
<b>TOTAL LIABILITIES</b>	<b>5,073</b>	<b>186,975</b>	<b>185,827</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>377,875</b>
<b>FUND BALANCES</b>							
Restricted	-	386,334	283,085	400,100	1,577,971	-	2,647,490
Assigned	598,012	-	-	-	-	-	598,012
<b>TOTAL FUND BALANCES</b>	<b>598,012</b>	<b>386,334</b>	<b>283,085</b>	<b>400,100</b>	<b>1,577,971</b>	<b>-</b>	<b>3,245,502</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 603,085</b>	<b>\$ 573,309</b>	<b>\$ 468,912</b>	<b>\$ 400,100</b>	<b>\$ 1,577,971</b>	<b>\$ -</b>	<b>\$ 3,623,377</b>

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	21	50	80	38	39	46	49	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		LONG-TERM CAPITAL IMPROVEMENT TRUST	OTHER CAPITAL PROJECTS FUND	
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	NON-REFERENDUM	REFERENDUM APPROVED			
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ 450,000	\$ 2,035,750	\$ 10,476,894	\$ -	\$ -	\$ 12,962,644
Other local sources	1,382,207	1,517,822	2,295,625	-	146,982	-	1,691,261	7,033,897
Intermediate sources	-	-	34,878	-	-	-	-	34,878
State sources	-	79,700	-	-	-	-	-	79,700
Federal sources	-	1,987,813	-	-	-	-	-	1,987,813
Other sources	-	39,489	58,087	-	-	-	-	97,576
<b>TOTAL REVENUES</b>	<u>1,382,207</u>	<u>3,624,824</u>	<u>2,838,590</u>	<u>2,035,750</u>	<u>10,623,876</u>	<u>-</u>	<u>1,691,261</u>	<u>22,196,508</u>
<b>EXPENDITURES</b>								
Current								
Instruction								
Regular instruction	961,840	-	-	-	-	-	-	961,840
Other instruction	259,692	-	-	-	-	-	-	259,692
Total instruction	<u>1,221,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,221,532</u>
Support service								
Pupil services	28,664	-	-	-	-	-	-	28,664
General administration services	-	-	-	-	-	-	12,120	12,120
Business services	75,107	3,690,716	468,508	-	-	-	1,451,139	5,685,470
Central services	-	-	232	-	-	-	-	232
Other support services	-	-	-	-	-	-	95,952	95,952
Community services	-	-	2,136,485	-	-	-	48,679	2,185,164
Total support services	<u>103,771</u>	<u>3,690,716</u>	<u>2,605,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,607,890</u>	<u>8,007,602</u>
Non-program transactions	<u>2,214</u>	<u>10,994</u>	<u>2,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,981</u>
Debt service								
Principal	-	-	-	1,310,000	2,890,000	-	-	4,200,000
Interest	-	-	-	758,500	1,504,782	-	-	2,263,282
Other	-	-	-	-	16,119	-	-	16,119
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068,500</u>	<u>4,410,901</u>	<u>-</u>	<u>-</u>	<u>6,479,401</u>
Capital outlay	<u>373,255</u>	<u>525,872</u>	<u>23,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,770</u>	<u>1,006,149</u>
<b>TOTAL EXPENDITURES</b>	<u>1,700,772</u>	<u>4,227,582</u>	<u>2,631,250</u>	<u>2,068,500</u>	<u>4,410,901</u>	<u>-</u>	<u>1,691,660</u>	<u>16,730,665</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(318,565)</u>	<u>(602,758)</u>	<u>207,340</u>	<u>(32,750)</u>	<u>6,212,975</u>	<u>-</u>	<u>(399)</u>	<u>5,465,843</u>
<b>OTHER FINANCING SOURCES</b>								
Transfer from other funds	-	266	-	-	-	-	-	266
Payment to debt escrow agent	-	-	-	-	(6,222,645)	-	-	(6,222,645)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>266</u>	<u>-</u>	<u>-</u>	<u>(6,222,645)</u>	<u>-</u>	<u>-</u>	<u>(6,222,379)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(318,565)</u>	<u>(602,492)</u>	<u>207,340</u>	<u>(32,750)</u>	<u>(9,670)</u>	<u>-</u>	<u>(399)</u>	<u>(756,536)</u>
<b>FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	916,577	988,826	75,745	432,850	1,587,641	3,596,110	-	7,597,749
<b>CHANGE WITHIN THE FINANCIAL REPORTING ENTITY FUND BALANCE - BEGINNING OF YEAR, AS RESTATED</b>	-	-	-	-	-	(3,596,110)	399	(3,595,711)
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 598,012</u>	<u>\$ 386,334</u>	<u>\$ 283,085</u>	<u>\$ 400,100</u>	<u>\$ 1,577,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,245,502</u>

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS**  
**YEAR ENDED JUNE 30, 2025**

<u>OPERATING ACTIVITY</u>	<u>WUFAR OBJECT CODE</u>	<u>COST</u>
Employee salary	100	\$ -
Employee benefits	200	-
Purchased services	300	-
Non-capital objects	400	-
Capital objects	500	-
Lease payments	600	-
Insurance and judgements	700	-
Special education costs	800	-
Other objects	900	-
Total		<u>\$ -</u>

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2025**

Awarding Agency Pass-Through Agency Award Description	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	REVENUES GRANTOR REIMBURSE- MENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Wisconsin Department of Public Instruction								
<u>Child Nutrition Cluster</u>								
School Breakfast Program July 1, 2024 - June 30, 2025	2025-374970-DPI-SB-546	10.553	N/A	\$ -	\$ 280,623	\$ 280,623	\$ -	\$ -
Food Distribution July 1, 2024 - June 30, 2025	None	10.555	N/A	-	301,754	301,754	-	-
National School Lunch Program July 1, 2024 - June 30, 2025	2025-374970-DPI-NSL-547	10.555	N/A	-	1,198,984	1,198,984	-	-
Summer Food Service Program for Children July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-SFSP-586 2025-374970-DPI-SFSP-586	10.559	N/A N/A	93,522 -	93,522 96,973	- 172,902	- 75,929	- -
Total Child Nutrition Cluster				93,522	1,971,856	1,954,263	75,929	-
Child & Adult Care Food Program July 1, 2024 - June 30, 2025	2025-374970-DPI-AR-551	10.558	N/A	-	33,550	33,550	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				93,522	2,005,406	1,987,813	75,929	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Wisconsin Department of Public Instruction								
<u>Special Education Cluster</u>								
Special Education - Grants to States (IDEA ES3 IEP) July 1, 2023 - June 30, 2024	2024-374970-DPI-ES3-342	84.027A	N/A	5,612	5,612	-	-	-
Special Education - Grants to States (IDEA Part B) July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-FLOW-341 2025-374970-DPI-FLOW-341	84.027A	N/A 1,377,728	864,697 -	864,697 729,454	- 1,144,774	- 415,320	- -
Special Education - Preschool Grants (IDEA Part B) July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-PRESCH-347 2025-374970-DPI-PRESCH-347	84.173A	N/A 66,081	24,031 -	24,031 24,475	- 35,339	- 10,864	- -
Total Special Education Cluster				894,340	1,648,269	1,180,113	426,184	-
Title IA - Grants to Local Educational Agencies July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-TI-A-141 2025-374970-DPI-TI-A-141	84.010A	N/A 611,433	149,226 -	149,226 463,369	- 704,497	- 241,128	- -
Title IV-A - Student Support and Academic Enrichment July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-TIVA-381 2025-374970-DPI-TIV-A-381	84.424A	N/A 56,635	23,775 -	23,775 33,271	- 36,372	- 3,101	- -
Title IV - 21st Century Learners July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-TIVB-367 2025-374970-DPI-TIVB-367	84.287	N/A 100,000	24,153 -	24,153 78,650	- 113,595	- 34,945	- -
Bipartisan Safer Communities Act (BSCA) February 1, 2024 - September 30, 2026	2025-374970-DPI-SCG-394	84.424F	N/A	-	132,521	155,385	22,864	-
Title III-A- English Language Acquisition Grants July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-TIII-391 2025-374970-DPI-TIII-A-391	84.365A	N/A 88,438	20,274 -	20,274 26,211	- 46,744	- 20,533	- -
Carl Perkins Act Formula Allocation Grant (Carl Perkins) July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-CTE-400 2025-374970-DPI-CTE-400	84.048	N/A 46,634	22,398 -	22,398 32,918	- 34,893	- 1,975	- -
Title II-A - Teacher/Principal Training July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	2024-374970-DPI-TIIA-365 2025-374970-DPI-TII-A-365	84.367A	N/A 154,509	47,129 -	47,129 127,229	- 145,016	- 17,787	- -
COVID 19 - Homeless Children and Youth Part 2 April 23, 2021 - September 30, 2024 April 23, 2021 - September 30, 2024	2024-374970-DPI-ARPHCYI-168 2025-374970-DPI-ARPHCYI-168	84.425W	N/A 62,425	4,564 -	4,564 36,024	- 36,024	- -	- -
COVID 19 - Homeless Children and Youth Part 2 April 23, 2021 - September 30, 2024 April 23, 2021 - September 30, 2024	2024-374970-DPI-ARPHCYI-168 2025-374970-DPI-ARPHCYI-168	84.425W	N/A 27,432	24,130 -	24,130 3,127	- 3,127	- -	- -
TOTAL U.S. DEPARTMENT OF EDUCATION				1,209,989	2,897,238	2,455,766	768,517	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Cooperative Educational Service Agency #9								
Public Health Emergency Response July 1, 2024 - June 30, 2025	None	93.354	46,482	-	2,900	2,900	-	-
Total Cooperative Educational Service Agency				-	2,900	2,900	-	-
Wisconsin Department of Health Services								
<u>Medicaid Cluster</u>								
Grants to States for Medicaid July 1, 2023 - June 30, 2024 July 1, 2024 - June 30, 2025	None None	93.778	N/A N/A	1,114 -	1,114 898,957	- 898,957	- -	- -
Total Medicaid Cluster				1,114	900,071	898,957	-	-
<b>U.S ENVIRONMENTAL PROTECTION AGENCY</b>								
Wisconsin Department of Natural Resources								
Water Infrastructure Improvements for the Nation Improvements Underserved Communities Emerging Contaminants Grant Program July 1, 2024 - June 30, 2025	00E03535	66.442	N/A	-	-	93,725	93,725	-
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 1,304,625</b>	<b>\$ 5,805,615</b>	<b>\$ 5,439,161</b>	<b>\$ 938,171</b>	<b>\$ -</b>

The accompanying notes are an integral part of these statements.

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

AWARDING AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY	PASS-THROUGH AGENCY
AWARD DESCRIPTION	ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2024	REVENUE GRANTOR REIMBURSEMENTS	REVENUE GRANTOR REIMBURSEMENTS	REVENUE GRANTOR REIMBURSEMENTS	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2025	SUBRECIPIENT PASS-THROUGH EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION									
Wisconsin Department of Public Instruction									
Special Education and School Age Parents	347970-100	255.101	\$ -	\$ -	3,408,529	\$ 3,408,529	\$ -	\$ -	-
Transit of aids from Wausau School District	None	255.101	-	-	1,819	1,819	-	-	-
Participant in program at CESA #9	None	255.101	-	-	28,865	28,865	-	-	-
State School Lunch Aid	374970-107	255.102	-	-	31,104	31,104	-	-	-
Common School Fund Library Aid	374970-104	255.103	-	-	482,591	482,591	-	-	-
Bilingual/Bicultural Aid	374970-111	255.106	-	-	81,575	81,575	-	-	-
General Transportation Aid	374970-102	255.107	-	-	229,747	229,747	-	-	-
Wisconsin School Day Milk Program	374970-109	255.115	-	-	33,821	33,821	-	-	-
General Aids Cluster									
Equalization Aid	374970-116	255.201	-	-	54,471,636	54,471,636	-	-	-
High Cost Special Education Aid	374970-119	255.210	-	-	149,599	149,599	-	-	-
Aid for School Mental Health Programs	374970-176	255.227	-	-	75,264	75,264	-	-	-
Peer to Peer Suicide Prevention Grant	374970-183	255.246	-	-	-	1,863	1,863	-	-
School Based Mental Health Services Grant	374970-177	255.297	-	-	179,756	179,756	-	-	-
Alcohol and Other Drug Abuse	374970-143	255.306	22,523	-	22,823	24,870	24,570	-	-
AODA Program Grants	374970-142	255.321	878	-	878	-	-	-	-
School Breakfast Program	374970-108	255.344	-	-	14,775	14,775	-	-	-
Early College Credit Program	374970-178	255.445	-	-	198	198	-	-	-
Educator Effectiveness Evaluation System	374970-154	255.940	-	-	37,700	37,700	-	-	-
Per Pupil Aid	374970-113	255.945	-	-	4,267,242	4,267,242	-	-	-
Career and Technical Education Incentive	374970-152	255.950	-	-	74,941	74,941	-	-	-
Aid for Special Education Transition	374970-168	255.960	-	-	37,905	37,905	-	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			23,401	-	63,630,768	63,633,800	26,433	-	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES									
Payment in Lieu of Taxes	None	None	-	-	26,198	26,198	-	-	-
WISCONSIN DEPARTMENT OF REVENUE									
Exempt Computer Aid	None	None	128,616	-	128,616	129,009	129,009	-	-
Exempt Personal Property Aid	None	None	-	-	486,950	486,950	-	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			128,616	-	615,566	615,959	129,009	-	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 152,017	\$ -	\$ 64,272,532	\$ 64,275,957	\$ 155,442	\$ -	\$ -

The accompanying notes are an integral part of these statements.



**D.C. EVEREST AREA SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**JUNE 30, 2025**

**NOTE 1 - Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the D.C. Everest Area School District. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

**NOTE 2 - Summary of Significant Accounting Policies**

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

**NOTE 3 - Special Education and School Age Parents Program**

2024-2025 eligible costs under the State Special Education Program are \$11,833,385.

**NOTE 4 - Food Distribution Program**

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

**NOTE 5 - 10% De Minimis Cost Rate**

Elected not to use.

**D.C. EVEREST AREA SCHOOL DISTRICT  
SCHOFIELD, WISCONSIN**

**OTHER REPORTS**



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

To the Board of Education  
D.C. Everest Area School District  
Schofield, Wisconsin

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

***Report on Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the D.C. Everest Area School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

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

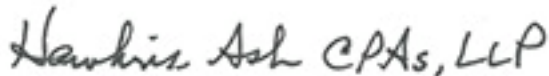
#### **D.C. Everest Area School District's Response to Finding**

*Government Auditing Standards* requires the auditor to preform limited procedures on D.C. Everest Area School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. D.C. Everest Area School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin  
December 15, 2025



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

To the Board of Education  
D.C. Everest Area School District  
Schofield, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

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

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

***Basis for Opinion on Each Major Federal and State Program***

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

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to D.C. Everest Area School District's federal and state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**


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

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

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

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin  
December 15, 2025

**D.C. EVEREST AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2025**

**Section I - Summary of Auditors' Results**

**Financial Statements**

- |   |            |
|---|------------|
| 1. Type of auditors' report issued:   | Unmodified |
| 2. Internal control over financial reporting:                                       |            |
| a. Material weakness identified?  | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements?                              | No         |

**Federal Awards**

- |   |            |
|---|------------|
| 3. Internal control over financial reporting:   |            |
| a. Material weakness identified?  | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses?                       | No         |
| 4. Type of auditors' report issued on compliance for major programs:                                      | Unmodified |
| 5. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No         |

6. Identification of major federal programs:

**Assistance Listing Number**  
84.027/84.173

**Name of Federal Program or Cluster**  
IDEA Cluster

**State Assistance**

- |  |            |
|--|------------|
| 7. Internal control over financial reporting:  |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiency(ies) identified not considered to be material weaknesses?  | No         |
| 8. Type of auditors' report issued on compliance for major programs:   | Unmodified |
| 9. Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | No         |

10. Identification of major state programs:

**State ID Number**  
255.101  
255.201

**Name of State Program or Cluster**  
Special Education and School Age Parents  
Equalization Aid

- |   |             |
|---|-------------|
| 11. Dollar threshold used to distinguish between: |             |
| Type A and Type B federal programs:               | \$ 750,000  |
| Type A and Type B state programs:                 | \$1,000,000 |

- |  |     |
|--|-----|
| 12. Auditee qualified as low-risk auditee? | Yes |
|--|-----|

**Section II - Financial Statement Findings and Questioned Costs**

**2025-001 - Preparation of Financial Statements**



**D.C. EVEREST AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**JUNE 30, 2025**

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2024-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

**Section III - Federal and State Award Findings and Questioned Costs**

None

**Section IV - Other Issues**

1. Does the auditors' report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Health Services	No
Wisconsin Department of Natural Resources	No
Wisconsin Department of Public Instruction	No
Wisconsin Department of Revenue	No
3. Was a management letter or other document conveying audit comments issued as a result of this audit? Yes
4. Name and signature of partner

  
\_\_\_\_\_  
Kevin Behnke, Partner



## **D.C. Everest Area School District**

6100 Alderson Street  
Weston, WI 54476  
Phone 715-359-4221  
[www.dce.k12.wi.us](http://www.dce.k12.wi.us)

### **MISSION STATEMENT**

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN** JUNE 30, 2025

### **Summary Schedule of Prior Audit Findings**

2024-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/13.

### **Corrective Action Plan**

2025-001 - Preparation of Financial Statements - Contact: Kelley Strike, Assistant Superintendent of Operations. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.