

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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TURTLE LAKE, WISCONSIN
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TURTLE LAKE, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Turtle Lake
Turtle Lake, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and the schedules relating to pensions 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and charter school authorizer annual report, sections VI through VII, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and 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 the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, charter school authorizer annual report, sections VI through VII and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the charter school authorizer annual report, sections I through V, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 26, 2025

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 4,175,083
Taxes Receivable	1,943,538
Accounts Receivable	1,384
Due from Other Governments	193,531
Prepaid Items	9,011
Capital Assets Not Being Depreciated/Amortized:	
Land	6,202
Construction Work in Progress	850,360
Capital Assets Being Depreciated/Amortized:	
Land Improvements	771,112
Buildings and Building Improvements	9,713,160
Furniture and Equipment	1,941,292
Leased Asset - Equipment	47,774
Less: Accumulated Depreciation/Amortization	<u>(7,802,170)</u>
Total Assets	11,850,277
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	1,574,705
LIABILITIES	
Accounts Payable	516,843
Accrued Salaries and Wages	350,739
Payroll Taxes and Withholdings	345,161
Unearned Revenue	5,385
Long-Term Liabilities:	
Amounts Due Within One Year:	
Leases Payable	9,523
Compensated Absences	16,827
Amounts Due In More than One Year:	
Leases Payable	20,768
Compensated Absences	115,857
Wisconsin Retirement System Net Pension Plan Liability	<u>287,145</u>
Total Liabilities	1,668,248
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	841,481
Total Deferred Inflows of Resources	<u>841,481</u>
NET POSITION	
Net Investment in Capital Assets	5,497,439
Restricted for:	
Unspent Common School Funds	17,564
Debt Service	34,286
Capital Projects	1,898,521
Student Scholarship and Student Activities	638,612
Food Service	238,587
Community Services	123,844
Unrestricted	<u>2,466,400</u>
Total Net Position	<u><u>\$ 10,915,253</u></u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 2,828,449	\$ 706,253	\$ 331,989	\$ -	\$ (1,790,207)
Vocational Instruction	281,393	47,428	11,324	-	(222,641)
Special Instruction	803,526	-	242,921	-	(560,605)
Other Instruction	447,881	98,054	18,309	-	(331,518)
Total Instruction	4,361,249	851,735	604,543	-	(2,904,971)
Support Services:					
Pupil Services	230,319	-	44,663	-	(185,656)
Instructional Staff Services	565,349	-	244,394	239,906	(81,049)
General Administration Services	381,712	-	8,774	-	(372,938)
Building Administration Services	357,709	-	-	-	(357,709)
Business Services	131,424	-	-	-	(131,424)
Operation and Maintenance of Plant	1,150,061	5,951	49,594	20,883	(1,073,633)
Pupil Transportation Services	373,379	-	39,779	-	(333,600)
Food Service	383,427	121,849	245,492	-	(16,086)
Central Services	83,016	-	1,922	-	(81,094)
Insurance and Judgments	116,535	-	-	-	(116,535)
Interest and Fiscal Fees	1,972	-	-	-	(1,972)
Other Support Services	119,907	-	-	-	(119,907)
Community Services	98,689	13,304	-	-	(85,385)
Nonprogram:					
Purchased Instructional Services	886,428	-	-	-	(886,428)
Other Nonprogram	2,507	-	-	-	(2,507)
Post-Secondary Scholarship	21,400	-	-	-	(21,400)
Total Support Services	4,903,834	141,104	634,618	260,789	(3,867,323)
Total Primary Government	\$ 9,265,083	\$ 992,839	\$ 1,239,161	\$ 260,789	(6,772,294)
GENERAL REVENUES					
Taxes:					
Property Taxes, Levied for General Purposes					5,083,647
Property Taxes, Levied for Community Service Purposes					140,000
Other Taxes					2,742
State and Federal Aids Not Restricted to Specific Functions					1,556,723
Interest and Investment Earnings					206,859
Miscellaneous					297,039
Total General Revenues					7,287,010
CHANGE IN NET POSITION					514,716
Net Position - Beginning of Year					10,400,537
NET POSITION - END OF YEAR					<u>\$ 10,915,253</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 1,005,768	\$ 34,286	\$ 2,124,856	\$ 1,010,173	\$ 4,175,083
Taxes Receivable	1,943,538	-	-	-	1,943,538
Accounts Receivable	1,382	-	-	2	1,384
Due from Other Governments	176,363	-	-	17,168	193,531
Due from Other Funds	-	-	210,000	-	210,000
Prepaid Items	9,011	-	-	-	9,011
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,136,062</u>	<u>\$ 34,286</u>	<u>\$ 2,334,856</u>	<u>\$ 1,027,343</u>	<u>\$ 6,532,547</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 60,609	\$ -	\$ 436,335	\$ 19,899	\$ 516,843
Accrued Salaries and Wages	349,983	-	-	756	350,739
Payroll Taxes and Withholdings	344,901	-	-	260	345,161
Due to Other Funds	210,000	-	-	-	210,000
Unearned Revenues	-	-	-	5,385	5,385
Total Liabilities	<u>965,493</u>	<u>-</u>	<u>436,335</u>	<u>26,300</u>	<u>1,428,128</u>
FUND BALANCES					
Nonspendable	9,011	-	-	-	9,011
Restricted	17,564	34,286	1,898,521	1,001,043	2,951,414
Unassigned	2,143,994	-	-	-	2,143,994
Total Fund Balances	<u>2,170,569</u>	<u>34,286</u>	<u>1,898,521</u>	<u>1,001,043</u>	<u>5,104,419</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 3,136,062</u>	<u>\$ 34,286</u>	<u>\$ 2,334,856</u>	<u>\$ 1,027,343</u>	<u>\$ 6,532,547</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025**

Total Fund Balances - Governmental Funds	\$	5,104,419
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital Assets	\$ 13,329,900	
Accumulated Depreciation/Amortization	<u>(7,802,170)</u>	5,527,730

Wisconsin Retirement System Pension Plan:

The District's net pension liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Liability	(287,145)	
Deferred Outflows of Resources - Pension Related	1,574,705	
Deferred Inflows of Resources - Pension Related	<u>(841,481)</u>	446,079

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Leases Payable	30,291	
Compensated Absences	<u>132,684</u>	<u>(162,975)</u>

Net Position of Governmental Activities	\$	<u><u>10,915,253</u></u>
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**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Totals
REVENUES					
Local Sources:					
Property Taxes	\$ 5,083,647	\$ -	\$ -	\$ 140,000	\$ 5,223,647
Other Local Sources	111,927	1,503	105,434	445,372	664,236
Interdistrict Sources	820,470	-	-	-	820,470
Intermediate Sources	22,518	-	-	-	22,518
State Sources	1,961,300	-	-	7,803	1,969,103
Federal Sources	827,362	-	-	237,689	1,065,051
Other Sources	14,774	-	-	-	14,774
Total Revenues	8,841,998	1,503	105,434	830,864	9,779,799
EXPENDITURES					
Instruction:					
Undifferentiated Curriculum	1,413,317	-	-	-	1,413,317
Regular Instruction	1,335,318	-	-	1,361	1,336,679
Vocational Instruction	238,910	-	-	35,406	274,316
Physical Curriculum	179,388	-	-	4,471	183,859
Special Instruction	783,286	-	-	-	783,286
Co-Curricular Activities	208,864	-	-	98,750	307,614
Support Services:					
Pupil Services	195,336	-	-	31,109	226,445
Instructional Staff Services	759,701	-	-	-	759,701
General Administration	373,258	-	-	100	373,358
School Building Administration	346,199	-	-	-	346,199
Business Services	127,884	-	-	-	127,884
Operation and Maintenance	1,144,973	-	749,961	42,491	1,937,425
Pupil Transportation Services	363,223	-	-	3,284	366,507
Food Service	-	-	-	380,870	380,870
Central Services	65,851	-	-	879	66,730
Insurance and Judgments	116,085	-	-	450	116,535
Debt Service	10,964	-	-	-	10,964
Other Support Services	55,503	-	-	61,468	116,971
Community Services	-	-	-	97,463	97,463
Nonprogram:					
Purchased Instructional Services	886,428	-	-	-	886,428
Other Nonprogram	2,507	-	-	-	2,507
Post-Secondary Scholarship	-	-	-	21,400	21,400
Total Expenditures	8,606,995	-	749,961	779,502	10,136,458
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	235,003	1,503	(644,527)	51,362	(356,659)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	210,000	-	210,000
Transfers Out	(210,000)	-	-	-	(210,000)
Net Other Financing Sources (Uses)	(210,000)	-	210,000	-	-
NET CHANGE IN FUND BALANCES	25,003	1,503	(434,527)	51,362	(356,659)
Fund Balances - Beginning of Year	2,145,566	32,783	2,333,048	949,681	5,461,078
FUND BALANCES - END OF YEAR	<u>\$ 2,170,569</u>	<u>\$ 34,286</u>	<u>\$ 1,898,521</u>	<u>\$ 1,001,043</u>	<u>\$ 5,104,419</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$	(356,659)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$	1,545,574	
Depreciation/Amortization Expense Reported in the Statement of Activities		<u>(453,030)</u>	1,092,544

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

Loss on disposal of capital assets		(68,282)
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Wisconsin Retirement System Pension Plan:

Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.

		(124,861)
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Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position

Principal Paid on Leases		8,992
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Compensated Absences	(37,018)	<u>(37,018)</u>	
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Change in Net Position of Governmental Activities	\$	<u><u>514,716</u></u>
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NOTES TO BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of the School District of Turtle Lake (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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.

B. Reporting Entity

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

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

C. Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety. 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.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

The fund statements provide information about the District's funds. Separate statements for each fund category 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 has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

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

Capital Improvements Fund - The Capital Improvements Fund is used to account for the accumulation of resources for the financing of capital improvements included in the District's approved long-term capital improvements plan.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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 six months after the end of the fiscal year, except for property taxes which have an availability period of 60 days. 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 of right-to-use assets by lease arrangements are reported as other financing sources.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity

1. Deposits and Investments

Investments of the District are stated at fair value. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund 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.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

2. Receivables and Payables

Property Taxes

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. The county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

2. Receivables and Payables (Continued)

Property Taxes (Continued)

The District's property taxes are levied on or before October 31 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 20th 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 property taxes.

Property taxes are recognized as revenue in the period for which 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 is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances

The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

4. Capital Assets

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

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

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land and Construction Work in Progress	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-Line	20 Years
Buildings	5,000	Straight-Line	50 Years
Building Improvements	5,000	Straight-Line	7 to 30 Years
Furniture and Equipment	5,000	Straight-Line	5 to 20 Years
Vehicles	5,000	Straight-Line	8 Years
Textbooks, Library, and Media*	5,000	Straight-Line	10 Years

* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred outflows of resources for pension related items.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred inflows of resources for pension related items.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

7. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

8. Wisconsin Retirement System Pension Benefit

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

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

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

9. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

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

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

10. Compensated Absences

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

A liability for compensated absences is not accrued in the District's governmental fund financial statements but is recorded as expenditure when paid. Such liability is accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 4.B.

11. Use of Restricted Resources

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

12. Equity Classifications

Fund equity, representing the difference between assets, deferred inflows/outflows of resources and liabilities, is classified as follows in the District's financial statements:

Government-Wide Statements

Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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. All other net positions are displayed as unrestricted.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

12. Equity Classifications (Continued)

Fund Financial Statements

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the District Administrator who has been delegated to exercise such authority in accordance with policy established by the board.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain unassigned portion of fund balance for cash flow of at least 15% of the general fund operating expenditure budget. Only the general fund may report a positive unassigned fund balance.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Administrator has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned, and finally unassigned fund balance.

13. Adoption of New Accounting Standards

GASB Statement No. 101, *Compensated Absences*

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The District adopted the requirements of the guidance effective July 1, 2024 and has applied the difference through the current year.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

In the general fund, at June 30, 2025, the expenditures exceeded the budgeted amount for expenditures as shown below:

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Instruction:				
Vocational Curriculum	\$ 219,831	\$ 219,831	\$ 238,910	\$ (19,079)
Co-Curricular Activities	201,065	201,065	208,864	(7,799)
Support Services:				
Pupil Services	173,604	173,604	195,336	(21,732)
General Administration	372,178	372,178	373,258	(1,080)
Operation and Maintenance	998,692	998,692	1,144,973	(146,281)
Pupil Transportation	355,625	355,625	363,223	(7,598)
Insurance and Judgments	114,854	114,854	116,085	(1,231)
Other Support Services	40,625	40,625	55,503	(14,878)
Nonprogram:				
Purchased Instructional Services	803,197	803,197	886,428	(83,231)
Other Nonprogram	350	350	2,507	(2,157)

These overages were determined necessary and authorized by management.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. All other funds share in common cash and investment accounts.

The District's cash and investments balances at June 30, 2025 as shown in the financial statements as follows:

Governmental Funds:	
General Fund	\$ 1,005,768
Debt Service Fund	34,286
Capital Improvements Fund	2,124,856
Other Governmental Funds	1,010,173
Total Cash and Investments	<u>\$ 4,175,083</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The above balances at June 30, 2025 consisted of the following:

Deposits at Financial Institutions	\$ 3,962,689
Investments in Municipal Bonds	9,991
Investments in Mutual Funds	202,303
Nondepository Petty Cash Funds	100
Total	<u>\$ 4,175,083</u>

Deposits at Financial Institutions

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$1,000,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2025, the District's deposits were not exposed to custodial credit risk.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The District's policy is to invest its funds in accordance with provision of the Wisconsin Statutes previously discussed in Note 1.E.1. These investments are not rated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2025 the District has the following investments:

	Investment Maturities (In Years)				
	Total	<1	1 to 10	10 to 15	>15
Municipal Bonds	\$ 9,991	\$ -	\$ 9,991	\$ -	\$ -
Mutual Funds	202,203	202,203	-	-	-
Total Investments	<u>\$ 212,194</u>	<u>\$ 202,203</u>	<u>\$ 9,991</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows the accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), evaluator models using credit information, market movement and sector news (Level 2) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of net position and balance sheet – governmental funds are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ 9,991	\$ -	\$ -	\$ 9,991
Mutual Funds	202,303	-	-	202,303
Total Investments	<u>\$ 212,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,294</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Changes in the capital assets for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortized:				
Land	\$ 6,202	\$ -	\$ -	\$ 6,202
Construction Work in Progress	146,378	850,360	(146,378)	850,360
Total Capital Assets, Nondepreciable/Nonamortized	152,580	850,360	(146,378)	856,562
Capital Assets, Depreciable/Amortizable:				
Land Improvements	807,679	-	(36,567)	771,112
Buildings and Improvements	9,521,353	337,123	(145,316)	9,713,160
Furniture and Equipment	1,588,937	504,469	(152,114)	1,941,292
Leased Assets - Equipment	47,774	-	-	47,774
Subtotals	11,965,743	841,592	(333,997)	12,473,338
Less Accumulated Depreciation/Amortization for:				
Land Improvements	569,839	20,930	(30,701)	560,068
Buildings and Improvements	5,909,620	289,575	(90,100)	6,109,095
Furniture and Equipment	1,125,841	132,970	(144,914)	1,113,897
Leased Assets - Equipment	9,555	9,555	-	19,110
Subtotals	7,614,855	453,030	(265,715)	7,802,170
Total Capital Assets, Depreciable/Amortizable, Net	4,350,888	388,562	(68,282)	4,671,168
Governmental Activities Capital Assets, Net	<u>\$ 4,503,468</u>	<u>\$ 1,238,922</u>	<u>\$ (214,660)</u>	<u>\$ 5,527,730</u>

Depreciation/amortization was charged to governmental functions as follows:

Instruction:	
Vocational Instruction	\$ 9,234
Other Instruction	8,269
Support Services:	
Instructional Staff Services	36,824
Operation and Maintenance of Plant	357,520
Pupil Transportation Services	6,872
Food Service	13,032
Central Services	18,343
Other Support Services	2,936
Total Depreciation/Amortization for Governmental Activities	<u>\$ 453,030</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2025 was as follows:

Interfund Receivables and Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Capital Improvements Fund	General Fund	\$ 210,000	Finance Capital Costs

Interfund Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Capital Improvements Fund	General Fund	\$ 210,000	Finance Capital Costs

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2025 were as follows:

	<u>Balances July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2025</u>	<u>Amounts Due Within One Year</u>
Leases Payable	\$ 39,283	\$ -	\$ 8,992	\$ 30,291	\$ 9,523
Compensated Absences **	95,666	37,018	-	132,684	16,827
Total	<u>\$ 134,949</u>	<u>\$ 37,018</u>	<u>\$ 8,992</u>	<u>\$ 162,975</u>	<u>\$ 26,350</u>

** The change in compensated absences is presented as a net amount.

General Obligation Debt

The 2024 equalized valuation of the District is certified by the Wisconsin Department of Revenue annually. 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 is as follows:

Debt Limit (10% of \$882,278,441)	\$ 88,227,844
Deduct Long-Term Debt Applicable to Debt Margin	-
Margin of Indebtedness	<u>\$ 88,227,844</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Leases Payable

During 2023-24 the District entered into a long-term noncancelable lease agreement for printers and copiers totaling \$47,774. The District is required to make various monthly principal and interest payments through June 30, 2028. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreement if an interest rate was not provided in the lease agreement.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.C.

Total principal and interest costs for such leases for governmental funds was \$8,992 and \$1,972, respectively for the year ended June 30, 2025. The future principal and interest payments for this agreement are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,523	\$ 1,441	\$ 10,964
2027	10,086	878	10,964
2028	10,682	282	10,964
	<u>\$ 30,291</u>	<u>\$ 2,601</u>	<u>\$ 32,892</u>

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2025 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Unassigned</u>
Major Funds:				
General Fund:				
Prepaid Items	\$ 9,011	\$ 9,011	\$ -	\$ -
Restricted - Common School Fund	17,564	-	17,564	-
Unassigned	2,143,994	-	-	2,143,994
Subtotal General Fund	<u>2,170,569</u>	<u>9,011</u>	<u>17,564</u>	<u>2,143,994</u>
Debt Service	34,286	-	34,286	-
Capital Improvement Projects	1,898,521	-	1,898,521	-
Nonmajor Funds:				
Special Revenue Funds:				
Student Scholarship and Student Activities	638,612	-	638,612	-
Food Service Program	238,587	-	238,587	-
Community Services Programs	123,844	-	123,844	-
Subtotal Nonmajor Funds	<u>1,001,043</u>	<u>-</u>	<u>1,001,043</u>	<u>-</u>
 Total Governmental Funds Balances at June 30, 2025	 <u>\$ 5,104,419</u>	 <u>\$ 9,011</u>	 <u>\$ 2,951,414</u>	 <u>\$ 2,143,994</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

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

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

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

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

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

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.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

The WRS also provides death and disability benefits for employees.

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

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

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

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

During the year ended June 30, 2025, the WRS recognized \$256,684 in contributions from the District.

Contribution rates as of June 30, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.95%	6.95%

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

At June 30, 2025, the District reported a liability of \$287,145 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.01747512%, which was a decrease of 0.00017241% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$385,658.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 891,743	\$ (837,959)
Changes of Assumptions	85,202	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	436,332	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,975	(3,522)
District Contributions Subsequent to the Measurement Date	158,453	-
Total	<u>\$ 1,574,705</u>	<u>\$ (841,481)</u>

\$158,453 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2026.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ 173,060
2027	594,670
2028	(147,410)
2029	(45,549)

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

Actuarial Valuation Date	December 31, 2023
Measurement Date of Net Pension Liability (Asset)	December 31, 2024
Experience Study	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.8%
Discount Rate	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% to 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 assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability to December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

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

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

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

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

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the expected long-term 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%, 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%) or one percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,693,796	\$ 287,145	\$ (1,422,712)

Payable to the Pension Plan

The District reported a payable of \$109,040 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2025.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Deferred Compensation Plan

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

C. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State has also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

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

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

D. Subsequent Events

On November 1, 2025, the District approved the short-term borrowing of a tax and revenue anticipation note in an amount not to exceed \$475,495. This note bears an interest rate of 5.20% and is due on October 31, 2026.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three years.

F. Contingencies

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

G. Commitments

At June 30, 2025, the District was committed under various construction contracts related to District improvements. The District entered into contracts totaling \$1,005,257 which will be financed with fund balance. As of June 30, 2025, \$332,653 remains yet to be paid.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 5,083,647	\$ 5,083,647	\$ 5,083,647	\$ -
Other Local Sources	102,680	102,680	111,927	9,247
Interdistrict Sources	911,394	911,394	820,470	(90,924)
Intermediate Sources	8,444	8,444	22,518	14,074
State Sources	1,824,069	1,824,069	1,961,300	137,231
Federal Sources	825,651	825,651	827,362	1,711
Other Sources	1,800	1,800	14,774	12,974
Total Revenues	8,757,685	8,757,685	8,841,998	84,313
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	1,485,131	1,485,131	1,413,317	71,814
Regular Curriculum	1,374,950	1,374,950	1,335,318	39,632
Vocational Curriculum	219,831	219,831	238,910	(19,079)
Physical Curriculum	182,921	182,921	179,388	3,533
Special Education Curriculum	798,292	798,292	783,286	15,006
Co-Curricular Activities	201,065	201,065	208,864	(7,799)
Total Instruction	4,262,190	4,262,190	4,159,083	103,107
Support Services:				
Pupil Services	173,604	173,604	195,336	(21,732)
Instructional Staff Services	768,856	768,856	759,701	9,155
General Administration	372,178	372,178	373,258	(1,080)
School Building Administration	355,472	355,472	346,199	9,273
Business Administration	133,964	133,964	127,884	6,080
Operation and Maintenance	998,692	998,692	1,144,973	(146,281)
Pupil Transportation	355,625	355,625	363,223	(7,598)
Central Services	77,418	77,418	65,851	11,567
Insurance and Judgments	114,854	114,854	116,085	(1,231)
Debt Services	14,162	14,162	10,964	3,198
Other Support Services	40,625	40,625	55,503	(14,878)
Total Support Services	3,405,450	3,405,450	3,558,977	(153,527)
Nonprogram:				
Purchased Instructional Services	803,197	803,197	886,428	(83,231)
Other Nonprogram	350	350	2,507	(2,157)
Total Nonprogram	803,547	803,547	888,935	(85,388)
Total Expenditures	8,471,187	8,471,187	8,606,995	(135,808)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	286,498	286,498	235,003	(51,495)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(286,498)	(286,498)	(210,000)	76,498
NET CHANGE IN FUND BALANCE	-	-	25,003	25,003
Fund Balance - Beginning of Year	2,145,566	2,145,566	2,145,566	-
FUND BALANCE - END OF YEAR	<u>\$ 2,145,566</u>	<u>\$ 2,145,566</u>	<u>\$ 2,170,569</u>	<u>\$ 25,003</u>

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION LIABILITY (ASSET)
LAST TEN MEASUREMENT PERIODS**

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2024	0.01747512 %	\$ 287,145	\$ 3,671,610	7.82 %	98.79 %
12/31/2023	0.01764753	262,384	3,395,098	7.73	98.85
12/31/2022	0.01748068	926,074	3,207,880	28.87	95.72
12/31/2021	0.01744145	(1,405,812)	3,068,635	45.81	106.02
12/31/2020	0.01742358	(1,087,778)	2,828,473	38.46	105.26
12/31/2019	0.01778764	(573,554)	2,817,561	20.36	102.96
12/31/2018	0.01797029	639,326	2,732,510	23.40	96.45
12/31/2017	0.01806558	(536,388)	2,672,756	20.07	102.93
12/31/2016	0.01758383	144,933	2,642,273	5.49	99.12
12/31/2015	0.01720043	279,504	2,564,355	10.90	98.20

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2025	\$ 256,684	\$ (256,684)	\$ -	\$ 3,758,073	6.83 %
6/30/2024	241,771	(241,771)	-	3,548,125	6.81
6/30/2023	223,956	(223,956)	-	3,301,042	6.78
6/30/2022	212,037	(212,037)	-	3,141,295	6.75
6/30/2021	203,036	(203,036)	-	2,982,887	6.81
6/30/2020	184,552	(184,552)	-	2,788,543	6.62
6/30/2019	185,550	(185,550)	-	2,792,986	6.64
6/30/2018	183,197	(183,197)	-	2,694,080	6.80
6/30/2017	178,571	(178,571)	-	2,655,097	6.73
6/30/2016	175,405	(175,405)	-	2,628,151	6.67

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

Changes of Assumptions:

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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 ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement 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.

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

Budgetary Information

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

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 District's legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where the public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the purposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the 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 school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of the funds are shown below.

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Instruction:				
Vocational Curriculum	\$ 219,831	\$ 219,831	\$ 238,910	\$ (19,079)
Co-Curricular Activities	201,065	201,065	208,864	(7,799)
Support Services:				
Pupil Services	173,604	173,604	195,336	(21,732)
General Administration	372,178	372,178	373,258	(1,080)
Operation and Maintenance	998,692	998,692	1,144,973	(146,281)
Pupil Transportation	355,625	355,625	363,223	(7,598)
Insurance and Judgments	114,854	114,854	116,085	(1,231)
Other Support Services	40,625	40,625	55,503	(14,878)
Nonprogram:				
Purchased Instructional Services	803,197	803,197	886,428	(83,231)
Other Nonprogram	350	350	2,507	(2,157)

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
FUND 10 AND FUND 27
COMBINING BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General Fund	Fund 27 Special Education	Elimination Adjustments	Combined Totals	Fund 10 General Fund	Fund 27 Special Education	Elimination Adjustments	Combined Totals	Fund 10 General Fund	Fund 27 Special Education	Elimination Adjustments	Combined Totals
REVENUES												
Local Sources:												
Property Taxes	\$ 5,083,647	\$ -	\$ -	\$ 5,083,647	\$ 5,083,647	\$ -	\$ -	\$ 5,083,647	\$ 5,083,647	\$ -	\$ -	\$ 5,083,647
Other Local Sources	102,680	-	-	102,680	102,680	-	-	102,680	111,927	-	-	111,927
Interdistrict Sources	911,394	-	-	911,394	911,394	-	-	911,394	820,470	-	-	820,470
Intermediate Sources	7,694	750	-	8,444	7,694	750	-	8,444	5,707	16,811	-	22,518
State Sources	1,651,219	172,850	-	1,824,069	1,651,219	172,850	-	1,824,069	1,765,400	195,900	-	1,961,300
Federal Sources	680,216	145,435	-	825,651	680,216	145,435	-	825,651	689,922	137,440	-	827,362
Other Sources	1,800	-	-	1,800	1,800	-	-	1,800	14,762	12	-	14,774
Total Revenues	8,438,650	319,035	-	8,757,685	8,438,650	319,035	-	8,757,685	8,491,835	350,163	-	8,841,998
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	1,485,131	-	-	1,485,131	1,485,131	-	-	1,485,131	1,413,317	-	-	1,413,317
Regular Curriculum	1,374,950	-	-	1,374,950	1,374,950	-	-	1,374,950	1,335,318	-	-	1,335,318
Vocational Curriculum	219,831	-	-	219,831	219,831	-	-	219,831	238,910	-	-	238,910
Physical Curriculum	182,921	-	-	182,921	182,921	-	-	182,921	179,388	-	-	179,388
Special Education Curriculum	-	798,292	-	798,292	-	798,292	-	798,292	-	783,286	-	783,286
Co-Curricular Activities	201,065	-	-	201,065	201,065	-	-	201,065	208,864	-	-	208,864
Total Instruction	3,463,898	798,292	-	4,262,190	3,463,898	798,292	-	4,262,190	3,375,797	783,286	-	4,159,083
Support Services:												
Pupil Services	112,284	61,320	-	173,604	112,284	61,320	-	173,604	127,922	67,414	-	195,336
Instructional Staff Services	617,841	151,015	-	768,856	617,841	151,015	-	768,856	609,895	149,806	-	759,701
General Administration	372,178	-	-	372,178	372,178	-	-	372,178	364,484	8,774	-	373,258
School Building Administration	355,472	-	-	355,472	355,472	-	-	355,472	346,199	-	-	346,199
Business Administration	133,964	-	-	133,964	133,964	-	-	133,964	127,154	730	-	127,884
Operation and Maintenance	998,692	-	-	998,692	998,692	-	-	998,692	1,144,973	-	-	1,144,973
Pupil Transportation	355,625	-	-	355,625	355,625	-	-	355,625	363,223	-	-	363,223
Central Services	74,668	2,750	-	77,418	74,668	2,750	-	77,418	64,914	937	-	65,851
Insurance and Judgments	114,854	-	-	114,854	114,854	-	-	114,854	116,085	-	-	116,085
Debt Services	14,162	-	-	14,162	14,162	-	-	14,162	10,964	-	-	10,964
Other Support Services	40,625	-	-	40,625	40,625	-	-	40,625	55,503	-	-	55,503
Total Support Services	3,190,365	215,085	-	3,405,450	3,190,365	215,085	-	3,405,450	3,331,316	227,661	-	3,558,977
Nonprogram:												
Purchased Instructional Services	768,872	34,325	-	803,197	768,872	34,325	-	803,197	808,933	77,495	-	886,428
Other Nonprogram	350	-	-	350	350	-	-	350	2,507	-	-	2,507
Total Nonprogram	769,222	34,325	-	803,547	769,222	34,325	-	803,547	811,440	77,495	-	888,935
Total Expenditures	7,423,485	1,047,702	-	8,471,187	7,423,485	1,047,702	-	8,471,187	7,518,553	1,088,442	-	8,606,995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,015,165	(728,667)	-	286,498	1,015,165	(728,667)	-	286,498	973,282	(738,279)	-	235,003
OTHER FINANCING SOURCES (USES)												
Transfers In	-	728,667	(728,667)	-	-	728,667	(728,667)	-	-	738,279	(738,279)	-
Transfers Out	(1,015,165)	-	728,667	(286,498)	(1,015,165)	-	728,667	(286,498)	(948,279)	-	738,279	(210,000)
Total Other Financing Sources (Uses)	(1,015,165)	728,667	-	(286,498)	(1,015,165)	728,667	-	(286,498)	(948,279)	738,279	-	(210,000)
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	25,003	-	-	25,003
Fund Balance - Beginning of Year	2,145,566	-	-	2,145,566	2,145,566	-	-	2,145,566	2,145,566	-	-	2,145,566
FUND BALANCE - END OF YEAR	\$ 2,145,566	\$ -	\$ -	\$ 2,145,566	\$ 2,145,566	\$ -	\$ -	\$ 2,145,566	\$ 2,170,569	\$ -	\$ -	\$ 2,170,569

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
FUND 10
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 5,083,647	\$ 5,083,647	\$ 5,083,647	\$ -
Other Local Sources	102,680	102,680	111,927	9,247
Interdistrict Sources	911,394	911,394	820,470	(90,924)
Intermediate Sources	7,694	7,694	5,707	(1,987)
State Sources	1,651,219	1,651,219	1,765,400	114,181
Federal Sources	680,216	680,216	689,922	9,706
Other Sources	1,800	1,800	14,762	12,962
Total Revenues	8,438,650	8,438,650	8,491,835	53,185
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	1,485,131	1,485,131	1,413,317	71,814
Regular Curriculum	1,374,950	1,374,950	1,335,318	39,632
Vocational Curriculum	219,831	219,831	238,910	(19,079)
Physical Curriculum	182,921	182,921	179,388	3,533
Co-Curricular Activities	201,065	201,065	208,864	(7,799)
Total Instruction	3,463,898	3,463,898	3,375,797	88,101
Support Services:				
Pupil Services	112,284	112,284	127,922	(15,638)
Instructional Staff Services	617,841	617,841	609,895	7,946
General Administration	372,178	372,178	364,484	7,694
School Building Administration	355,472	355,472	346,199	9,273
Business Administration	133,964	133,964	127,154	6,810
Operation and Maintenance	998,692	998,692	1,144,973	(146,281)
Pupil Transportation	355,625	355,625	363,223	(7,598)
Central Services	74,668	74,668	64,914	9,754
Insurance and Judgments	114,854	114,854	116,085	(1,231)
Debt Services	14,162	14,162	10,964	3,198
Other Support Services	40,625	40,625	55,503	(14,878)
Total Support Services	3,190,365	3,190,365	3,331,316	(140,951)
Nonprogram:				
Purchased Instructional Services	768,872	768,872	808,933	(40,061)
Other Nonprogram	350	350	2,507	(2,157)
Total Nonprogram	769,222	769,222	811,440	(42,218)
Total Expenditures	7,423,485	7,423,485	7,518,553	(95,068)
EXCESS OF REVENUES OVER EXPENDITURES	1,015,165	1,015,165	973,282	(41,883)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,015,165)	(1,015,165)	(948,279)	66,886
NET CHANGE IN FUND BALANCE	-	-	25,003	25,003
Fund Balance - Beginning of Year	2,145,566	2,145,566	2,145,566	-
FUND BALANCE - END OF YEAR	<u>\$ 2,145,566</u>	<u>\$ 2,145,566</u>	<u>\$ 2,170,569</u>	<u>\$ 25,003</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
FUND 27
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intermediate Sources	\$ 750	\$ 750	\$ 16,811	\$ 16,061
State Sources	172,850	172,850	195,900	23,050
Federal Sources	145,435	145,435	137,440	(7,995)
Other Sources	-	-	12	12
Total Revenues	319,035	319,035	350,163	31,128
EXPENDITURES				
Instruction:				
Special Education Curriculum	798,292	798,292	783,286	15,006
Support Services:				
Pupil Services	61,320	61,320	67,414	(6,094)
Instructional Staff Services	151,015	151,015	149,806	1,209
General Administration	-	-	8,774	(8,774)
Business Administration	-	-	730	(730)
Central Services	2,750	2,750	937	1,813
Total Support Services	215,085	215,085	227,661	(12,576)
Nonprogram:				
Purchased Instructional Services	34,325	34,325	77,495	(43,170)
Total Expenditures	1,047,702	1,047,702	1,088,442	(40,740)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(728,667)	(728,667)	(738,279)	(9,612)
OTHER FINANCING SOURCES				
Transfers In	728,667	728,667	738,279	9,612
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services	
ASSETS				
Cash and Investments	\$ 641,895	\$ 242,891	\$ 125,387	\$ 1,010,173
Accounts Receivable	2	-	-	2
Due from Other Governments	-	17,168	-	17,168
Total Assets	<u>\$ 641,897</u>	<u>\$ 260,059</u>	<u>\$ 125,387</u>	<u>\$ 1,027,343</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,140	\$ 15,737	\$ 1,022	\$ 19,899
Accrued Salaries and Wages	124	185	447	756
Payroll Taxes and Withholdings	21	165	74	260
Unearned Revenues	-	5,385	-	5,385
Total Liabilities	<u>3,285</u>	<u>21,472</u>	<u>1,543</u>	<u>26,300</u>
FUND BALANCES				
Restricted	<u>638,612</u>	<u>238,587</u>	<u>123,844</u>	<u>1,001,043</u>
Total Liabilities and Fund Balances	<u>\$ 641,897</u>	<u>\$ 260,059</u>	<u>\$ 125,387</u>	<u>\$ 1,027,343</u>

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services	
REVENUES				
Local Sources:				
Property Taxes	\$ -	\$ -	\$ 140,000	\$ 140,000
Other Local Sources	309,490	121,849	14,033	445,372
State Sources	-	7,803	-	7,803
Federal Sources	-	237,689	-	237,689
Total Revenues	309,490	367,341	154,033	830,864
EXPENDITURES				
Instruction:				
Regular Instruction	1,361	-	-	1,361
Vocational Instruction	35,406	-	-	35,406
Physical Instruction	4,471	-	-	4,471
Co-Curricular Instruction	98,750	-	-	98,750
Support Services:				
Pupil Services	31,109	-	-	31,109
General Administration	100	-	-	100
Operation and Maintenance of Plant	30,949	10,458	1,084	42,491
Pupil Transportation Services	2,549	-	735	3,284
Food Service	-	380,870	-	380,870
Central Services	879	-	-	879
Insurance and Judgements	450	-	-	450
Other Support Services	-	-	61,468	61,468
Community Services	-	-	97,463	97,463
Nonprogram:				
Post-Secondary Scholarship	21,400	-	-	21,400
Total Expenditures	227,424	391,328	160,750	779,502
NET CHANGE IN FUND BALANCES	82,066	(23,987)	(6,717)	51,362
Fund Balances - Beginning of Year	556,546	262,574	130,561	949,681
FUND BALANCES - END OF YEAR	<u>\$ 638,612</u>	<u>\$ 238,587</u>	<u>\$ 123,844</u>	<u>\$ 1,001,043</u>

OTHER INFORMATION

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

SECTION I: AUTHORIZER INFORMATION

Authorizing Entity:	School District of Turtle Lake
Authorizer Address:	205 Oak Street, Turtle Lake, WI 54889
Authorizer Contact Person:	Kent Kindschy
Contact Person Title:	District Administrator
Contact Person Phone:	715-986-2597
Contact Person Email:	kkindschy@turtlelake.k12.wi.us

SECTION II: CHARTER SCHOOL INFORMATION

Charter Schools Currently Under Contract:

	Contract Start Date:	Contract Expiration Date:	Grades Served:
School Name: Laker OnLine	8/1/2020	8/1/2025	K-12

Charter Schools Whose Contract was Not Renewed or Revoked:

None.

Charter Schools Currently Under Contract that have not Opened:

None.

Charter Schools that Closed:

None.

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOL

Each student enrolled in the Laker Online Virtual Charter School who finished the year did make academic progress. The Charter School had a declining performance rating resulting in the following: Alternate Rating – Needs Improvement, as noted with the Alternative School Accountability Determination report.

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOL

The Laker Online Virtual Charter School serves students from within the district and open enrolled students. There is some movement in and out of the program throughout the year. The annual budget is approved by our Virtual Charter School board in August. We include all the necessary materials, help, and technology needed for the student to succeed.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2025**

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS

The Governance board members are appointed and serve a one-year term. Members of the board will meet in the fall to approve the budget, staff, calendar and accountability plan. Board members are updated on enrollment and any major expenditures at future meetings.

SECTION VI: AUTHORIZER OPERATING COST

Laker On Line

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 19,123
EMPLOYEE BENEFITS	200	2,766
TOTAL		\$ 21,889

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

Laker On Line

SERVICES PROVIDED	FUNCTION CODE	COST
REGULAR CURRICULUM	120000	\$ 75
GENERAL ADMINISTRATION	230000	25
OTHER SERVICES	431000	56,772
TOTAL		\$ 56,872

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2024	Total Federal Expenditures	Grant Reimbursements	Accrued Receivable (Unearned Revenue) June 30, 2025
<u>U.S. Department of Agriculture</u>								
Wisconsin Department of Public Instruction:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	WI DPI	2025-035810-DPI-SB-SEVRE-546	\$ -	\$ -	\$ 57,788	\$ 57,788	\$ -
Food Donation	10.555	WI DPI	A001-00000-035810	-	-	25,340	25,340	-
National School Lunch Program	10.555	WI DPI	2025-035810-DPI-NSL-547	-	-	123,630	123,630	-
Summer School Lunch Program	10.559	WI DPI	2025-035810-DPI-SFSP-586	-	20,302	23,715	26,849	17,168
Fresh Fruit and Vegetables Program - July	10.582	WI DPI	2025-035810-DPI-FFVPPUB-594	-	-	948	948	-
Fresh Fruit and Vegetables Program - October	10.582	WI DPI	2025-035810-DPI-FFVPOCTPUB-376	-	-	6,268	6,268	-
Total Child Nutrition Cluster				-	20,302	237,689	240,823	17,168
Total Department of Agriculture				-	20,302	237,689	240,823	17,168
<u>U.S. Department of Education</u>								
Wisconsin Department of Public Instruction:								
ESEA Title I-A Basic Grant	84.010	WI DPI	2025-035810-DPI-TI-A-141	-	22,473	88,673	71,258	39,888
Special Education Cluster:								
IDEA Flow Through	84.027	WI DPI	2025-035810-DPI-FLOW-341	-	38,910	133,041	89,325	82,626
PL 99-457 (Preschool Entitlement)	84.173	WI DPI	2025-035810-DPI-PRESCH-347	-	695	2,848	2,060	1,483
Early Childhood Social Emotional Learning LEA Mini-Grant	84.173	WI DPI	2025-035810-DPI-ECSELMG-348	-	15,620	16,000	15,620	16,000
Total Special Education Cluster				-	55,225	151,889	107,005	100,109
ESEA Title VI-B Rural Education Initiative:								
Small Rural Schools Achievement Program	84.358	Direct Aid	N/A	-	-	47,707	47,707	-
Supporting Effective Instruction State Grants	84.367	WI DPI	2025-035810-DPI-TIIA-365	-	13,551	15,447	19,906	9,092
ESEA Title IV-A Rural Education Initiative:								
Small Rural Schools Achievement Program	84.424	WI DPI	2025-035810-DPI-TIVA-381	-	204	18,604	18,808	-
COVID-19 - ARPA Elementary and Secondary School								
Emergency Relief III	84.425D	WI DPI	2022-035810-DPI-ESSERFII-165	-	103,260	466,239	569,499	-
Total Department of Education				-	194,713	788,559	834,183	149,089
<u>U.S. Department of Health and Human Services</u>								
Wisconsin Department of Health and Family Services:								
Medicaid Cluster - Medical Assistance Program	93.778	WI DHS	Provider #44238100	-	-	38,802	37,099	1,703
Total Federal Program Awards				\$ -	\$ 215,015	\$ 1,065,050	\$ 1,112,105	\$ 167,960

* = Tested as a Major Federal Program

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025**

Award Agency/ Pass-Through Agency/Award Description	State Assistance Number	State I.D. Number	Accrued Receivable (Unearned Revenue) July 1, 2024	Expenditures	State Reimbursements	Accrued Receivable (Unearned Revenue) June 30, 2025
<u>Wisconsin Department of Public Instruction</u>						
Entitlement Programs:						
Major State Programs:						
General Equalization	255.201	35810-116	\$ -	\$ 904,523	\$ 904,523	\$ -
Per Pupil Adjustment Aid	255.945	255.925	-	319,802	319,802	-
Total Major Programs			-	1,224,325	1,224,325	-
Nonmajor State Programs:						
Handicapped Pupils and School Age Parents:	255.101	35810-100				
Internal District Programs			-	193,057	193,057	-
Participant in Package Program at CESA No. 11			-	16,061	16,061	-
Total Handicapped Program			-	209,118	209,118	-
State Lunch	255.102	35810-107	-	2,641	2,641	-
Common School Fund	255.103	35810-104	-	33,125	33,125	-
Pupil Transportation	255.107	35810-102	-	18,365	18,365	-
Morning Milk Program	255.109	35810-109	-	2,576	2,576	-
Sparsity Aid	255.212	35810-162	-	173,986	173,986	-
School Based Mental Health Services Grant	255.297	35810-177	-	13,428	13,428	-
School Breakfast Program	255.344	35810-108	-	2,586	2,586	-
Achievement Gap Reduction	255.504	35810-160	-	169,473	169,473	-
High Cost Transportation Aid	255.947	35810-100	-	13,066	13,066	-
Educator Effectiveness Grant	255.940	35810-154	-	4,080	4,080	-
Career and Technical Education Incentive Grants	255.950	35810-152	-	3,747	3,747	-
Special Education Transition Incentives Grant	255.960	35810-174	-	2,843	2,843	-
<u>Wisconsin Department of Workforce Development</u>						
Youth Apprenticeship Grant	445.107	CESA #11	645	2,540	3,185	-
Total Nonmajor Programs			645	651,574	652,219	-
Total State Financial Assistance			\$ 645	\$ 1,875,899	\$ 1,876,544	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, which in certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and the State Single Audit Guidelines. Because the Schedules presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (Assistance Listing Number #10.555).

NOTE 4 INDIRECT COSTS

The District has not elected to use the 10% de minimis indirect cost rate.

NOTE 5 MEDICAL ASSISTANCE

Expenditures presented for the Medicaid School Based Services (SBS) Benefit represent only the federal funds for the program that the District receives from the Department of Health Services (DHS). District records should be consulted to determine the total amount expended for this program.



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

Board of Education
School District of Turtle Lake
Turtle Lake, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of Turtle Lake (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

Report on Compliance and Other Matters

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

School District of Turtle Lake's Responses to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 26, 2025



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

Board of Education
School District of Turtle Lake
Turtle Lake, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the District complied, in all material respects, with the 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; 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 the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or 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 or 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 the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 26, 2025

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Results

Financial Statements

- | | | | | |
|--|-------------------|--|-------------------------|--|
| 1. Type of auditors' report issued | Unmodified | | | |
| 2. Internal control over financial reporting: | | | | |
| * Material weakness(es) identified? | <u> X </u> Yes | | <u> </u> No | |
| * Significant deficiency(es) identified? | <u> </u> Yes | | <u> X </u> None Noted | |
| 3. Noncompliance material to financial statements noted? | <u> </u> Yes | | <u> X </u> No | |

Federal Awards

- | | | | | |
|---|-------------------|--|-------------------------|--|
| 1. Internal control over major programs: | | | | |
| * Material weakness(es) identified? | <u> </u> Yes | | <u> X </u> No | |
| * Significant deficiency(es) identified? | <u> </u> Yes | | <u> X </u> None Noted | |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)? | <u> </u> Yes | | <u> X </u> No | |

Identification of Major Federal Program

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 - Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over major programs:

* Material weakness(es) identified? _____ Yes X No

* Significant deficiency(es) identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with state requirements?

_____ Yes

 X No

Identification of Major State Projects

CSFA Number(s)

Name of State Project

255.201

General Equalization Aids

255.945

Per Pupil Adjustment Aid

Dollar threshold used to distinguish between Type A and Type B state projects:

\$250,000

Other Issues

1. Does the auditors' report or the notes to the financial statements include 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 noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *Wisconsin Public School District Audit Manual*:

Department of Public Instruction

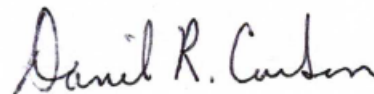
No

Department of Workforce Development

No

3. Was a management letter or other document conveying audit comments issued as a result of this letter?

No



4. Name and signature of Signing Director

Daniel R. Carlson, CPA

5. Date of Report

November 26, 2025

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

Finding: 2025-001 Limited Segregation of Duties

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The auditors noted during the audit that the available staff may preclude a proper separation of duties to assure adequate internal control.

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

Effect: Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud, that would not be detected or prevented by District staff.

Cause: The condition is due to limited staff available.

Repeat Finding: The finding is a repeat of the finding in the immediately prior year. Prior year finding number was 2024-001.

Recommendation: The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of Responsible Officials and Planned Corrective Actions: The District will continue to work to achieve segregation of duties whenever cost effective. The District's Superintendent is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings (Continued)

Finding: 2025-002 Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The audit firm proposed and the District posted to its general ledger accounts journal entries for correcting certain misstatements.

Criteria or Specific Requirement: The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Effect: The financial statements of the District may include inaccurate information not detected or prevented by District staff.

Cause: The District has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Repeat Finding: The finding is a repeat of the finding in the immediately prior year. Prior year finding number was 2024-002.

Recommendation: The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

**Views of
Responsible
Officials and
Planned Corrective
Actions:**

The District will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review, approve and accept all audit entries prior to posting to the District's finance system. The District's Superintendent is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF TURTLE LAKE
TURTLE LAKE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Question Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Financial Assistance Programs

Our audit did not disclose any matters required to be reported in accordance with *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

Section V – Findings and Questioned Costs – State General Requirements

Our audit did not disclose any matters required to be reported in accordance with Wisconsin Public School District Audit Manual.

