

AGENDA

SCHOOL DISTRICT OF NEW GLARUS

BUDGET COMMITTEE MEETING

MONDAY, FEBRUARY 9, 2026

**HIGH SCHOOL LIBRARY/MEDIA CENTER, ROOM 183 JOIN ZOOM MEETING USING
LINK**

HTTPS://US02WEB.ZOOM.US/J/85709708265?PWD=RKZDGIPIOBDF1YFC6PLYJC

RC5BRFN8.1 BY PHONE USING 1-646-568-7788 MEETING ID 857 0970 8265 &

PASSWORD 584678

1701 2ND STREET

NEW GLARUS, WISCONSIN 53574

6:15 PM

- I. **Call to Order**
- II. **Audit Report**

2



JOHNSON BLOCK
CPAs



Financial Statements With
Independent Auditor's Report

For the Year Ended June 30, 2025

NEW GLARUS SCHOOL DISTRICT
Table of Contents

For the Year Ended June 30, 2025

	Page
INDEPENDENT AUDITOR’S REPORT	i - iv
MANAGEMENT’S DISCUSSION AND ANALYSIS	v - x
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position – Governmental Activities.....	1 - 2
Statement of Activities – Governmental Activities.....	3
Balance Sheet – Governmental Funds.....	4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	7
Statement of Fiduciary Net Position – Fiduciary Funds.....	8
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	9
Notes to Financial Statements	10 - 42
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule for the General Fund – Budget and Actual	43
Budgetary Comparison Schedule for the Special Education Fund – Budget and Actual.....	44
Reconciliation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	45
Wisconsin Retirement System Schedules	46
Supplemental Pension Liability Schedules.....	47 - 48
Local Retiree Life Insurance Fund Schedules.....	49
Notes to Required Supplementary Information.....	50 - 54
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Non-Major Governmental Funds.....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds.....	56

**NEW GLARUS SCHOOL DISTRICT
Table of Contents (Continued)**

For the Year Ended June 30, 2025

	Page
OTHER SUPPLEMENTARY INFORMATION (CONTINUED):	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57 - 58
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Wisconsin Department of Public Instruction.....	59 - 61
Schedule of Expenditures of Federal Awards	62
Schedule of Expenditures of State Awards	63
Notes to Schedules of Expenditures of Federal and State Awards.....	64
Schedule of Findings and Questioned Costs	65 - 66
Schedule of Prior Year Findings and Questioned Costs.....	67



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
New Glarus School District
New Glarus, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 New Glarus School District as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2024 the New Glarus School District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 misstatements, 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 New Glarus School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 management's discussion and analysis, budgeting comparison schedules, Wisconsin Retirement System schedules, Supplemental Pension Liability schedules, and Local Retiree Life Insurance Fund schedules presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise New Glarus School District's basic financial statements. The combining non-major fund financial statements and schedules of expenditures of federal and state awards, as required by the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining non-major fund statements and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund statements and schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

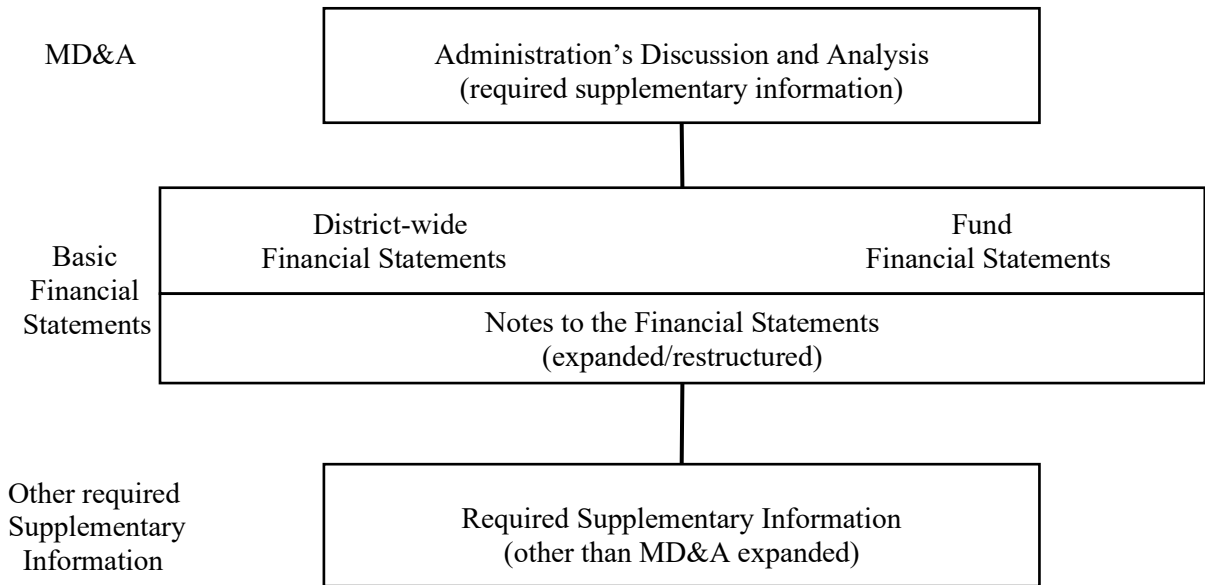
In accordance with *GAS*, we have also issued our report dated December 8, 2025, on our consideration of New Glarus School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Glarus School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *GAS* in considering New Glarus School District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 8, 2025

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

New Glarus School District’s (the District) Administration discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments and is intended to provide the financial results for the fiscal year ending June 30, 2025.



As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: District Wide Financial Statements and Fund Financial Statements.

District Wide Financial Statements

The District wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Fund Financial Statements

The fund statements are similar to financial presentations with the focus on the District's Major Funds rather than fund types. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

Fund types include the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund, and Fiduciary Funds. The General Fund is used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants and other intergovernmental revenues. The Special Revenue Funds are comprised of the Special Revenue, Food Service and the Community Service funds. The Capital Projects Fund is used to account for any construction projects in progress in the District. The Debt Service Fund is used to record the funding and payment of principal and interest on bonded debt. The Fiduciary Fund accounts for assets held by the District in a trustee capacity or as an agent for the employee benefits trust.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Analysis of the District as a Whole

**Table 1
Summary of Net Position**

	2025	2024
Assets		
Current Assets	\$ 7,764,510	\$ 12,374,422
Capital Assets	72,082,206	59,300,863
Less Accumulated Depreciation	(18,337,334)	(17,396,659)
Capital Assets, net book value	53,744,872	41,904,204
Restricted Assets	1,673,508	14,706,248
Total Assets	63,182,890	68,984,874
Deferred Outflows of Resources		
Deferred Pension and OPEB Outflows	3,602,526	5,061,256
Liabilities		
Current Liabilities	4,107,116	10,412,021
Long-term Liabilities	25,602,938	28,200,147
Total Liabilities	29,710,054	38,612,168
Deferred Inflows of Resources		
Deferred Pension and OPEB Inflows	2,067,641	3,270,041
Total Deferred Inflows of Resources	2,067,641	3,270,041
Net Position		
Net Investment in Capital Assets	28,216,747	24,059,552
Restricted	2,867,247	3,293,762
Unrestricted	3,923,727	4,810,607
Total Net Position	\$ 35,007,721	\$ 32,163,921

As indicated by the statement above, total net position is \$35,007,721. Net position can be separated into the following categories: capital assets net of related debt, restricted, and unrestricted.

Net capital assets are a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets is \$72,082,206, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$18,337,334. Most capital asset acquisitions are financed through long-term debt. Primarily, long-term debt is repaid as the debt service comes due through property taxes approved by the voters. Total related long-term debt is \$23,500,000. Total related financed purchase arrangements is \$471,977.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Analysis of the District as a Whole (Continued)

Net position of \$245,504 is restricted for debt service, \$293,183 is restricted for the special revenue fund, \$1,999,669 is restricted for capital projects, \$67,695 is restricted for food service, \$12,825 is restricted for the common school fund carryover, \$8,038 is restricted for community service, and \$104,637 is restricted for the District's net supplemental pension asset. The remaining balance of \$3,728,721 is unrestricted. The unrestricted fund balance is an accumulation of prior years' operating results. This balance is directly affected each year by the District's operating results.

**Table 2
Results of Operations**

	2025		2024	
	Amount	% of Total	Amount	% of Total
Program Revenues:				
Charges for Service	\$ 624,698	3.2%	\$ 593,008	2.8%
Operating Grants and Contributions	2,022,828	10.2%	2,496,831	11.6%
Capital Grants and Contributions	117,170	0.6%	1,089,878	5.1%
Total Program Revenues	<u>2,764,696</u>	<u>13.9%</u>	<u>4,179,717</u>	<u>19.4%</u>
General Revenues:				
Property Taxes - general purposes	5,458,728	27.5%	5,213,659	24.2%
Property Taxes - debt purposes	3,181,319	16.0%	2,992,738	13.9%
State of Wisconsin Aid - unrestricted	7,714,816	38.9%	7,728,021	35.9%
Other	709,237	3.6%	1,424,162	6.6%
Total General Revenues	<u>17,064,100</u>	<u>86.1%</u>	<u>17,358,580</u>	<u>80.6%</u>
Total Revenues	<u>19,828,796</u>	<u>100.0%</u>	<u>21,538,297</u>	<u>100.0%</u>
Expenses:				
Instruction	8,808,889	51.0%	9,101,493	53.6%
Support Services	5,835,234	33.8%	5,628,434	33.1%
Non-Program Services	650,327	3.8%	642,348	3.8%
Interest on Debt	617,956	3.6%	683,896	4.0%
Depreciation-unallocated	1,367,848	7.9%	938,071	5.5%
Total Expenses	<u>17,280,254</u>	<u>100.0%</u>	<u>16,994,242</u>	<u>100.0%</u>
Increase (Decrease) in Net Position				
Before Special Items	2,548,542		4,544,055	
Special Items -				
Gain (Loss) on Disposal	153,973		165,947	
Gain (Loss) on Debt Defeasance	141,285		-	
Change in Net Position	<u>\$ 2,843,800</u>		<u>\$ 4,710,002</u>	

As indicated above, net position increased \$2,843,800.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Aspects of the District's Funds

The general fund had a net decrease in fund balance of \$772,018. The decrease was mainly due to the District's pledge to the capital projects fund for the Glarner Community Complex.

The capital projects fund had a net decrease in fund balance of \$10,082,188. The decrease was due to construction project expenditures incurred.

The debt service fund had a net decrease in fund balance of \$49,262. The decrease in the debt service fund was due to debt prepayments.

The special revenue fund had a net increase in fund balance of \$135,697. The increase was due to more donations for the athletic complex and higher interest earnings.

The food service fund had a net decrease in fund balance of \$476,350. The decrease was due to construction project expenditures incurred.

The community service fund had no change in fund balance.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2025 and 2024, the District had \$72,082,206 and \$59,300,863 invested in a broad range of capital assets, including land, buildings, furniture and equipment, respectively.

	Governmental Activities	
	2025	2024
Capital Assets		
Land	\$ 361,905	\$ 361,904
Construction in Progress	35,983	18,200,122
Buildings	62,182,646	32,147,119
Furniture and Equipment	9,501,672	8,591,718
Subtotal	72,082,206	59,300,863
Less Accumulated Depreciation	(18,337,334)	(17,396,659)
	\$ 53,744,872	\$ 41,904,204

There was a net increase in capital assets of \$12,781,343 from last year. Depreciation expense for the year was \$1,448,755.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Debt

At the end of this year, the District had \$23,500,000 in general obligation bonds. This is a net decrease of \$2,525,000. The net decrease is a result of scheduled principal payments of debt.

At the end of this year, the District had \$471,977 in financed purchases. This is a net increase of \$471,977. The net increase is a result of the District entering into a new financed purchase agreement for buses during the fiscal year, less the scheduled principal payments.

Factors Bearing on the District's Future

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

- Student enrollment
- Health insurance costs
- Funding from the State of Wisconsin
- Energy costs
- Passage of future operational referendum
- Overall inflating costs

Original vs. Revised Budget

Per State Statute 120.13(33) during the period between July 1 and the final adoption of a budget by the school board after the budget hearing under s.65.90, spend money as needed to meet the immediate expenses of operating and maintaining the public instruction in the school district.

The District may amend its budget during the school year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Marty, Business Manager, School District of New Glarus, 1701 Second St., New Glarus, Wisconsin 53574.

BASIC FINANCIAL STATEMENTS

New Glarus School District
New Glarus, Wisconsin
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 5,178,004
Receivables:	
Taxes	2,462,399
Accounts	48,765
Due from Other Governments	66,132
Inventories	9,210
Total Current Assets	7,764,510
Capital Assets:	
Land and Construction in Progress	397,888
Depreciable Assets	71,684,318
Less: Accumulated Depreciation	(18,337,334)
Net Capital Assets	53,744,872
Total Noncurrent Assets	53,744,872
Restricted Assets:	
Restricted Cash and Investments	1,568,871
Net Pension Asset - Supplemental Pension	104,637
Total Restricted Assets	1,673,508
Total Assets	63,182,890
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows - WRS	3,346,174
Deferred Pension Outflows - Supplemental Pension	137,439
Deferred Other Post-Employment Benefit Outflows - Life Insurance	118,913
Total Deferred Outflows of Resources	3,602,526
Total Assets and Deferred Outflows of Resources	\$ 66,785,416

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin
Statement of Net Position
June 30, 2025**

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 156,924
Accrued Liabilities:	
Payroll and Related Items	1,444,929
Interest	155,563
Due to Fiduciary Funds	100,000
Deposits - Food Service Receipts	25,260
Current Portion of Long-Term Obligations	2,224,440
Total Current Liabilities	4,107,116
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations	24,666,621
Net Pension Liability - WRS	606,897
Net Other Post-Employment Benefit Liability - Life Insurance	329,420
Total Noncurrent Liabilities	25,602,938
Total Liabilities	29,710,054
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows - WRS	1,771,367
Deferred Pension Inflows - Supplemental Pension	64,214
Deferred Other Post-Employment Benefit Inflows - Life Insurance	232,060
Total Deferred Inflows of Resources	2,067,641
NET POSITION	
Net Investment in Capital Assets	28,216,747
Restricted for:	
Capital Projects Fund	1,999,669
Debt Service Fund	245,504
Special Revenue Fund - Nonexpendable	10,000
Special Revenue Fund - Expendable	418,879
Common School Fund Carryover	12,825
Food Service Fund	67,695
Community Service Fund	8,038
Net Pension Assets	104,637
Unrestricted	3,923,727
Total Net Position	35,007,721
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 66,785,416

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Activities
For the Year Ended June 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities					
Instruction					
Undifferentiated Curriculum	\$ 2,691,355	\$ 350	\$ 9,447	\$ -	\$ (2,681,558)
Regular Instruction	3,429,509	34,703	683,790	-	(2,711,016)
Vocational Instruction	427,878	7,367	3,962	-	(416,549)
Physical Instruction	332,388	20	-	-	(332,368)
Special Instruction	1,555,507	-	709,548	-	(845,959)
Co-Curricular Activities	368,169	41,443	155,777	-	(170,949)
Other Special Needs	4,083	-	-	-	(4,083)
Total Instruction	<u>8,808,889</u>	<u>83,883</u>	<u>1,562,524</u>	<u>-</u>	<u>(7,162,482)</u>
Support Services					
Pupil Services	595,635	17,396	5,001	-	(573,238)
Instructional Staff Service	869,779	27	138,500	-	(731,252)
General Administration	410,904	-	-	-	(410,904)
Building Administration	765,956	-	-	-	(765,956)
Business Services	1,701,066	-	16,575	117,170	(1,567,321)
Central Services	77,378	-	4,186	-	(73,192)
Insurance and Judgments	192,801	-	-	-	(192,801)
Interest	617,956	-	-	-	(617,956)
Other Support Services	462,227	-	-	-	(462,227)
Food Service	759,488	523,392	253,099	-	17,003
Unallocated Depreciation	1,367,848	-	-	-	(1,367,848)
Total Support Services	<u>7,821,038</u>	<u>540,815</u>	<u>417,361</u>	<u>117,170</u>	<u>(6,745,692)</u>
Non-Program Services					
Other Non-Program Services	650,327	-	42,943	-	(607,384)
Total Non-Program	<u>650,327</u>	<u>-</u>	<u>42,943</u>	<u>-</u>	<u>(607,384)</u>
Total Governmental Activities	<u>\$ 17,280,254</u>	<u>\$ 624,698</u>	<u>\$ 2,022,828</u>	<u>\$ 117,170</u>	<u>(14,515,558)</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					5,458,728
Property Taxes, Levied for Debt Service					3,181,319
Federal and State Aid not Restricted to Specific Purpose					7,714,816
Interest and Investment Earnings					627,103
Miscellaneous					82,134
Total General Revenues					<u>17,064,100</u>
Special Item - Gain (Loss) on Disposal					153,973
Special Item - Gain (Loss) on Debt Defeasance					141,285
Change in Net Position					<u>2,843,800</u>
Net Position - beginning of year, as previously stated					33,382,459
Restatement for change in accounting principle					(1,218,538)
Net Position - beginning of year, as resated					<u>32,163,921</u>
Net Position - end of year					<u>\$ 35,007,721</u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Balance Sheet
Governmental Funds
June 30, 2025**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 4,231,903	\$ 401,542	\$ -	\$ 544,559	\$ 5,178,004
Restricted Cash and Investments	-	-	1,568,871	-	1,568,871
Receivables:					
Taxes	2,462,399	-	-	-	2,462,399
Accounts	2,875	-	17,768	9,786	30,429
Other	-	-	-	18,336	18,336
Due from Other Funds	6,092	-	414,823	-	420,915
Due from Other Governments	60,305	-	-	5,827	66,132
Inventories	-	-	-	9,210	9,210
Total Assets	<u>\$ 6,763,574</u>	<u>\$ 401,542</u>	<u>\$ 2,001,462</u>	<u>\$ 587,718</u>	<u>\$ 9,754,296</u>
LIABILITIES					
Accounts Payable	\$ 112,112	\$ -	\$ 1,793	\$ 43,019	\$ 156,924
Accrued Liabilities	1,444,929	-	-	-	1,444,929
Due to Other Funds	514,823	475	-	5,617	520,915
Deposits	-	-	-	25,260	25,260
Total Liabilities	<u>2,071,864</u>	<u>475</u>	<u>1,793</u>	<u>73,896</u>	<u>2,148,028</u>
FUND BALANCES					
Nonspendable	-	-	-	19,210	19,210
Restricted	12,825	401,067	1,999,669	494,612	2,908,173
Assigned	21,217	-	-	-	21,217
Unassigned	4,657,668	-	-	-	4,657,668
Total Fund Balances	<u>4,691,710</u>	<u>401,067</u>	<u>1,999,669</u>	<u>513,822</u>	<u>7,606,268</u>
Total Liabilities and Fund Balances	<u>\$ 6,763,574</u>	<u>\$ 401,542</u>	<u>\$ 2,001,462</u>	<u>\$ 587,718</u>	<u>\$ 9,754,296</u>

19

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2025**

Total fund balance, governmental funds	\$	7,606,268
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		53,744,872
<p>The net pension assets are not current financial resources and are, therefore, not reported in the fund statements.</p>		104,637
<p>Certain other long-term liabilities are not due and payable in the current period and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Unamortized premium on bond issuance		(1,556,148)
<p>Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense on the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.</p>		
Deferred outflows of resources		3,602,526
Deferred inflows of resources		(2,067,641)
<p>Some liabilities, (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
G.O. Debt Obligations and Financed Purchases		(23,971,977)
Accrued Interest on Long-Term Debt		(155,563)
Compensated Absences		(1,362,936)
Net Pension Liability - WRS		(606,897)
Net Other Post-Employment Benefit Liability - Life Insurance		(329,420)
Net Position of Governmental Activities in the Statement of Net Position	\$	35,007,721

See accompanying notes to the financial statements.

New Glarus School District
New Glarus, Wisconsin

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Local	\$ 5,591,464	\$ 3,181,319	\$ -	\$ -	\$ 802,012	\$ 9,574,795
Interdistrict	1,183,223	-	-	-	-	1,183,223
State	7,910,421	-	-	-	9,682	7,920,103
Federal	257,438	-	-	-	218,670	476,108
Other	284,500	14,292	379,319	-	11,781	689,892
Total Revenues	<u>15,227,046</u>	<u>3,195,611</u>	<u>379,319</u>	<u>-</u>	<u>1,042,145</u>	<u>19,844,121</u>
EXPENDITURES						
Current Expenditures						
Instruction						
Undifferentiated Curriculum	2,602,050	-	-	-	-	2,602,050
Regular Instruction	3,419,009	-	-	-	3,852	3,422,861
Vocational Instruction	418,016	-	-	-	-	418,016
Physical Instruction	327,552	-	-	-	-	327,552
Special Instruction	1,533,236	-	-	-	-	1,533,236
Co-Curricular Activities	235,565	-	-	-	131,197	366,762
Other Special Needs	2,350	-	-	-	-	2,350
Total Instruction	<u>8,537,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,049</u>	<u>8,672,827</u>
Support Services						
Pupil Services	586,897	-	-	-	-	586,897
Instructional Staff Services	841,423	-	-	-	-	841,423
General Administration	406,505	-	-	-	-	406,505
Building Administration	754,665	-	-	-	-	754,665
Business Services	1,613,523	-	-	-	5,526	1,619,049
Central Services	76,605	-	-	-	-	76,605
Insurance and Judgments	192,801	-	-	-	-	192,801
Other Support Services	558,829	-	100,005	-	-	658,834
Food Service	-	-	-	-	748,586	748,586
Total Support Services	<u>5,031,248</u>	<u>-</u>	<u>100,005</u>	<u>-</u>	<u>754,112</u>	<u>5,885,365</u>
Non-Program Services	650,327	-	-	-	-	650,327
Total Current Expenditures	<u>14,219,353</u>	<u>-</u>	<u>100,005</u>	<u>-</u>	<u>889,161</u>	<u>15,208,519</u>
Principal and Interest	167,096	3,244,873	-	-	-	3,411,969
Capital Outlay	1,769,470	-	10,811,502	-	493,637	13,074,609
Total Expenditures	<u>16,155,919</u>	<u>3,244,873</u>	<u>10,911,507</u>	<u>-</u>	<u>1,382,798</u>	<u>31,695,097</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(928,873)</u>	<u>(49,262)</u>	<u>(10,532,188)</u>	<u>-</u>	<u>(340,653)</u>	<u>(11,850,976)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	450,000	-	-	450,000
Transfers Out	(450,000)	-	-	-	-	(450,000)
Debt Proceeds	606,855	-	-	-	-	606,855
Total Other Financing Sources (Uses)	<u>156,855</u>	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>606,855</u>
Net Change in Fund Balances	<u>(772,018)</u>	<u>(49,262)</u>	<u>(10,082,188)</u>	<u>-</u>	<u>(340,653)</u>	<u>(11,244,121)</u>
Fund Balances - Beginning of Year	5,463,728	450,329	12,081,857	293,182	561,293	18,850,389
Change within financial reporting entity (major to non-major)	-	-	-	(293,182)	293,182	-
Fund Balances - Beginning of Year, as restated	<u>5,463,728</u>	<u>450,329</u>	<u>12,081,857</u>	<u>-</u>	<u>854,475</u>	<u>18,850,389</u>
Fund Balances - Ending of Year	<u>\$ 4,691,710</u>	<u>\$ 401,067</u>	<u>\$ 1,999,669</u>	<u>\$ -</u>	<u>\$ 513,822</u>	<u>\$ 7,606,268</u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

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

Net change in fund balances - total governmental funds: \$ (11,244,121)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays (\$13,150,776) were greater than depreciation (\$1,448,755) in the current period. 11,702,021

Gain on disposal of capital assets 138,647

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.
The amount of long-term debt principal payments in the current year is: 2,525,000
The amount of financed purchase arrangements principal payments in the current year is: 134,878

Debt incurred in the governmental funds is reported as revenue or 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.
The amount of capital lease and financed purchases proceeds in the current year. (606,855)

Amortization of debt premium 110,301

Gain (Loss) on defeasement of outstanding debt premium 141,285

Vested employee benefits, OPEB, and the supplemental pension liability are reported in the governmental funds when amounts are paid. The Statement of Activities reports values of benefits earned during the year.
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources (27,775)
Change in supplemental pension liability and related deferred outflows and inflows of resources 101,770
Change in compensated absences 126,739

In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities interest is reported as incurred.
Interest paid is greater (less) than interest accrued by 23,835

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.
This is the amount of current year required contributions (\$525,783) into the WRS defined benefit pension plan that were less than the actuarially determined (\$243,860) change in net pension asset/liability between years, with adjustments. (281,923)

Rounding (2)
Change in net position of governmental activities \$ 2,843,800

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025**

	<u>Benefit Trust</u> <u>Fund</u>
ASSETS	
Cash and Investments	\$ 445,320
Due from Other Funds	100,000
Total Assets	<u><u>\$ 545,320</u></u>
NET POSITION	
Restricted	\$ 545,320
Total Net Position	<u><u>\$ 545,320</u></u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025**

	<u>Benefit Trust</u> <u>Fund</u>
ADDITIONS	
Contributions	\$ 101,773
Interest	37,372
Net Unrealized Investment Gain	12,994
Total Additions	<u>152,139</u>
DEDUCTIONS	
Support Services	2,127
Benefits Paid	74,678
Total Deductions	<u>76,805</u>
Change in Net Position	75,334
Net Position - Beginning of Year	469,986
Net Position - End of Year	<u>\$ 545,320</u>

See accompanying notes ²⁴ to the financial statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies

A. Introduction

The New Glarus School District (the "District") is organized as a common school district. The District, governed by a seven-member elected school board, operates grades Pre-Kindergarten through 12 and is comprised of all or part of nine taxing districts.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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. Component Units

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

C. District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District does not report any business-type activities.

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

D. Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented.

The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

D. Fund Financial Statements (Continued)

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

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

The District reports 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 other funds.

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

The District also has the following non-major funds

- Community Service Fund
- Food Service
- Special Revenue Fund

Fiduciary Funds (Not included in District-Wide Statements)

Fiduciary funds consist of pension (and other employee benefits) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) Assets are not generated from the government's own-source revenues or from the government-mandated or voluntary nonexchange transactions, c) Assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The District accounts for fiduciary activities for supplemental pension benefits in an employee benefit trust fund.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 when paid. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease and transfer of ownership agreements are reported as other financing sources.

State general and categorical aids and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

Charges for services provided to other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the period in which the funds are first permitted to be used. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows of resources is removed from the balance sheet and revenue is recognized. Resources that are received prior to incurring qualifying expenditures are reported as a liability and recognized as revenue in subsequent periods when eligibility requirements have been met.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

F. Property Tax Levy

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to the comprising municipalities based on the immediate past October 1st full or “equalized” taxable property values. 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 31st, and the final payment no later than the following July 31st. On or before January 15th, and by the 20th of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20th, 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 the taxes are levied. All property taxes are considered due on January 1st, 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.

G. Deposits and Investments

The District’s cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require segregated accounts.

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 for scholarships are invested as the donor specifies. In the absence of specific directions, the District may invest donated items in accordance with laws applicable to trust investments.

The District has adopted an investment policy which permits all investments allowed under state statutes.

H. Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

I. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

Nonspendable net assets (inventories and prepaid items) have been recognized to signify that a portion of net assets is not available for other subsequent expenditures.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

J. Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Maintenance and repair costs are charged to expenses as incurred and betterments are capitalized as assets. Upon disposal of land, buildings and equipment, a gain or loss is reflected in the statement of activities. Donated assets are reported at acquisition value at the time received. Property and equipment and related depreciation expense are not reflected in the governmental fund financial statements.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building	\$ 5,000	Straight-line	50 years
Building improvements	5,000	Straight-line	50 years
Site improvements	5,000	Straight-line	20 years
Furniture and equipment	5,000	Straight-line	5-20 years
Computer and related technology	5,000	Straight-line	5 years

K. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of notes, bonds, leases liabilities, or loans payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Principal and interest on long-term debt is recognized when due.

L. Accumulated Unpaid Vacation and Sick Pay

Compensated Absences

Under terms of employment, employees are granted leave in varying amounts. Benefits considered to be more likely than not to be used or settled at separation are recognized in the financial statements.

Amounts of accumulated leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. A liability is also recorded for accumulating rights to receive leave benefits for the portion more likely than not to be used by employees. Additionally, a liability is recognized for that portion of accumulating leave benefits that is estimated will more likely than not be paid upon separation. The District accrued compensated absences salary-related payments associated with payments of compensated absences.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

L. Accumulated Unpaid Vacation and Sick Pay (Continued)

Sick leave for teachers hired before July 1, 2013 will accumulate up to a maximum of 200 sick leave days. Upon retirement, if the member has completed 10 years of full-time service with the District and who is eligible for retirement under the Wisconsin Retirement System will be credited with up to 200 accumulated sick leave days at the rate of pay of \$90 per day not to exceed \$18,000.

Sick leave for all eligible staff hired on or after July 1, 2013 will accumulate to a maximum of 90 days. Upon retirement, if the member has completed 10 years of full-time service with the District and who is eligible for retirement under the Wisconsin Retirement System will be credited up to 90 accumulated sick leave days at the rate of pay of \$5 per day.

Accumulated vacation and personal days for all eligible staff are allowed to be carried-over up to five days each year.

M. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for the 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 the WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplemental Pension

The District also offers a benefit that is considered a supplemental pension benefit. See Note 7b for additional information.

N. Other Post-Employment Benefits (OPEB)

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

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

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The District has three items that qualify for reporting in this category.

The net position of the District is significantly impacted by the combined effect of deferred outflows and inflows of resources from the OPEB and pension plans.

P. Estimates

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

Q. Net Position

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

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

R. Fund Balances – Governmental Funds

The District previously implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. In the fund statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form (i.e., convertible to cash) or are legally or contractually required to be maintained intact. \$9,210 of the amount reported as nonspendable at June 30, 2025 is nonspendable in form. The remaining balance of \$10,000 is legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources or by constitutional provision or enabling legislation.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

R. Fund Balances – Governmental Funds (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to policies enacted by the Board of Education, the District's highest level of decision making authority. Commitments may only be rescinded through the same type of action employed to previously commit the amounts.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of Education has delegated authority to assign fund balance for a specific purpose to the Business Manager.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

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

The Board of Education recognizes the need to maintain an operating reserve in the general fund to 1) to hold adequate working capital to meet cash flow needs during the fiscal year, 2) to reduce the need for short term borrowing, 3) to serve as a safeguard for unanticipated district expenditures and 4) to show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs.

Any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the District fund balance. The District will strive to maintain a general fund balance of not less than 15% of the subsequent year's operational expenditures. If the District, as of June month-end of a given fiscal year, shows an operating fund balance below 15% of the subsequent year's budget, the Board of Education will take proactive actions to increase the fund balance to 15%.

The District's long-term goal for fund balance is to achieve and maintain a general fund balance that will alleviate the need for short-term borrowing to meet operational cash flow needs. Fund balance in excess of this goal may be used for one-time expenditures or unforeseen costs (i.e., damages). The general fund balance shall not be used for recurring costs in the operating budget.

The Board may, from time to time, commit fund balance to a specific purpose. Such actions shall be taken in open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by a majority vote of the Board.

The Board authorizes and directs the Business Manager to assign the fund balance to the extent such assignment does not create a negative unassigned fund balance as follows:

- An amount sufficient to liquidate open encumbrances that are reasonably expected to result in an expenditure in the subsequent year.
- An amount estimated to be sufficient to cover the cost of unsettled labor agreements, if any.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

S. Change in Accounting Principles

Effective July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. GASB 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. As a result of adopting GASB 101, the District made changes to the way it recognizes and measures its compensated absences liability and an adjustment to beginning net position was required for the government-wide financial statements. See Note 16 for additional information.

Effective July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*. GASB 102 was issued to provide users of governmental financial statements with essential information about risk related to the government's vulnerabilities due to certain concentrations or constraints. The District does not have any certain risk disclosures requiring disclosure in the financial statements.

2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the statement of activities fall into one of three broad categories:

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

3. Cash and Investments

For all the District's cash and investments shown below, the market value at the balance sheet date is substantially the same as the fair value. The difference between the bank balance and the carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the District's deposits were higher than the June 30, 2025 balances. This means that the District's risk and exposure could be higher at these times.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

3. Cash and Investments (Continued)

Deposits

The District's deposits and investments at June 30, 2025 were comprised of the following:

<u>Depository:</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Associated Risk</u>
Local Financial Institutions	\$ 5,148,411	\$ 5,363,548	Custodial credit risk
WISC			
Money Markets and Savings	1,597,838	1,597,838	Credit risk
Petty Cash	625	625	
Other Cash and Investments:			
Equity Investments	242,545	242,545	Interest rate risk and credit risk
Fixed Income Investments	188,333	188,333	Interest rate risk and credit risk
Cash Equivalent Investments	14,443	14,443	Custodial credit risk
Total June 30, 2025	<u>\$ 7,192,195</u>	<u>\$ 7,407,332</u>	

A reconciliation of cash and investments as shown on the statements is as follows:

Reconciliation to financial statements	
Per statement of net position	
Cash and Investments	\$ 5,178,004
Restricted Cash and Investments	1,568,871
Per statement of fiduciary net position	
Cash and Investments	445,320
Total	<u>\$ 7,192,195</u>

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

3. Cash and Investments (Continued)

Investments Authorized by Wisconsin State Statutes (Continued)

- Bonds issued by a local arts dealer.
- Bonds issued by the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District does not have an investment policy that addresses interest rate risk.

As of June 30, 2025, the District had the following investments and maturities subject to interest rate risk:

Investment Type	Credit Quality	Fair Value	Investment Maturities (In Years)		
			Less than 1	1-5	6-10
Equity - Exchange Traded Funds	Not Rated	\$ 242,545	\$ 242,545	\$ -	\$ -
Fixed Income - Exchange Traded Funds	Varies - Not rated to AAA	188,333	-	104,353	83,980
		<u>\$ 430,878</u>	<u>\$ 242,545</u>	<u>\$ 104,353</u>	<u>\$ 83,980</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy minimized credit risk by limiting investments to the safest type of securities. Quality ratings available are noted in the table above. The District's equity securities subject to credit risk were not rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in possession of another party. The District does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 for all time and savings accounts and \$250,000 for all demand accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. Deposits maintained at investment institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

3. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of June 30, 2025, the District’s deposits with financial institutions were exposed to custodial credit risk in excess of FDIC as follows:

Insured by State Coverage	\$	575,994
---------------------------	----	---------

The District also has an irrevocable letter of credit in an amount up to \$10,000,000 available for additional coverage.

4. Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The District uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the District’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The District uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the District measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of June 30, 2025	
	Fair Value	Level 1
Equity - Exchange Traded Funds	\$ 242,545	\$ 242,545
Fixed Income - Exchange Traded Funds	188,333	188,333
Totals	\$ 430,878	\$ 430,878

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being depreciated				
Sites (land)	\$ 361,905	\$ -	\$ -	\$ 361,905
Construction in progress	18,200,121	35,983	(18,200,121)	35,983
Total Capital Assets not being depreciated	<u>18,562,026</u>	<u>35,983</u>	<u>(18,200,121)</u>	<u>397,888</u>
Capital Assets being depreciated				
Buildings and improvements	32,147,119	30,035,527	-	62,182,646
Furniture and equipment	8,591,718	1,507,387	(597,433)	9,501,672
Total Capital Assets being depreciated	40,738,837	31,542,914	(597,433)	71,684,318
Less Accumulated Depreciation	(17,396,659)	(1,448,755)	508,080	(18,337,334)
Total Capital Assets being depreciated, net of accumulated depreciation	<u>23,342,178</u>	<u>30,094,159</u>	<u>(89,353)</u>	<u>53,346,984</u>
Governmental activities Capital Assets, net of accumulated depreciation	<u>\$ 41,904,204</u>	<u>\$ 30,130,142</u>	<u>\$ (18,289,474)</u>	<u>\$ 53,744,872</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 15,315
Vocational instruction	4,377
Special education instruction	38
Other instruction	1,847
Pupil services	293
Instructional staff services	19,059
Building administration	93
Business services	28,212
Central services	773
Food service	10,900
Depreciation not charged to a specific function	1,367,848
Total depreciation for governmental activities	<u>\$ 1,448,755</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

6. Long-Term Obligations

Long-term obligation balances and activity for the year ended June 30, 2025 were as follows:

<u>General Obligation Debt</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities					
G.O. Bonds	\$ 26,025,000	\$ -	\$ 2,525,000	\$ 23,500,000	\$ 1,795,000
Total Governmental Activities					
General Obligation Debt	26,025,000	-	2,525,000	23,500,000	1,795,000
Premium on Debt	1,807,734	-	251,586	1,556,148	-
Financed Purchase Arrangements	-	606,855	134,878	471,977	114,785
Compensated Absences*	1,489,675	-	126,739	1,362,936	314,655
Total Long-Term Obligations	<u>\$ 29,322,409</u>	<u>\$ 606,855</u>	<u>\$ 3,038,203</u>	<u>\$ 26,891,061</u>	<u>\$ 2,224,440</u>

*The change in compensated absences liability is presented as a net change. Beginning compensated absences was restated, see note 16 for additional information.

Total interest paid and accrued during the year was as follows:

	<u>Expense</u>	<u>Paid</u>
Interest on Long-Term Debt	\$ 725,362	\$ 749,197

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2025 is comprised of the following individual issues:

<u>Description</u>	<u>Issue Dates</u>	<u>Interest Rate %</u>	<u>Dates of Maturity</u>	<u>Balance 6/30/2025</u>	<u>Amount Due Within One Year</u>
GO School Improvement Bonds	3/5/2012	2.0-2.65%	4/1/2029	\$ 2,310,000	\$ 550,000
GO Refunding Bonds	7/13/2021	1.625-5.0%	4/1/2040	21,190,000	1,245,000
Total General Obligation Debt				<u>\$ 23,500,000</u>	<u>\$ 1,795,000</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

6. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2025 are as follows:

Year Ended June 30,	G.O. Bonds	
	Principal	Interest
2026	\$ 1,795,000	\$ 622,250
2027	1,875,000	547,626
2028	1,965,000	469,550
2029	2,030,000	386,050
2030	1,475,000	327,850
2031-2035	7,260,000	1,076,250
2036-2040	7,100,000	411,988
Totals	\$ 23,500,000	\$ 3,841,564

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$901,153,318. The legal debt limit and margin of indebtedness as of June 30, 2025, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$901,153,183)	\$ 90,115,318
Deduct long-term debt applicable to debt margin	23,500,000
Margin of indebtedness	\$ 66,615,318

Cash Defeasances

The District issued general obligation refunding bonds in 2016. In 2017, 2018, 2020, and 2021 the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2025 is \$5,220,000. The entire amount of defeased debt was called on the April 1, 2025 early redemption date. The risk-free monetary assets of the trust cannot be replaced.

Additionally, the District issued general obligation refunding bonds in 2022. In 2022 and 2023, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2025 is \$2,000,000. The entire amount of defeased debt will be called on the April 1, 2028 early redemption date. The risk-free monetary assets of the trust cannot be replaced.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans

7a) Defined Benefit Pension Plan – Wisconsin Retirement System

General Information about the Pension Plan

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

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.

During the reporting period, the WRS recognized \$525,783 in contributions from the employer.

Contribution rates as of June 30, 2025 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

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

At June 30, 2025, the District reported a liability (asset) of \$606,897 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District’s proportion of the net pension liability (asset) was based on the District’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District’s proportion was 0.03693464%, which was a decrease of 0.0009943% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$821,518.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,884,748	\$ (1,771,072)
Net differences between projected and actual earnings on pension plan investments	922,213	-
Changes in assumptions	180,078	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,693	(295)
Employer contributions subsequent to the measurement date	344,442	-
Total	\$ 3,346,174	\$ (1,771,367)

\$344,442 reported as a deferred outflow of resources related to pension resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

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

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 371,701
2027	1,263,013
2028	(308,655)
2029	(95,694)
Total	\$ 1,230,365

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% - 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 prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (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:

Asset Allocation Targets and Expected Returns¹
As of December 31, 2024

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage ³	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

³The 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%.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (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. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: “20-Bond Go Index” is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 5,693,488	\$ 606,897	\$ (3,006,980)

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

7b) Supplemental Pension Stipend Benefit

General Information about the Pension Plan

Plan Description. In addition to the WRS pension plan, the District provides a supplemental pension stipend benefit to eligible teachers. This is a single-employer supplemental pension benefit administered by the District.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Benefits Provided. This benefit applies to Teachers who were hired by the District prior to July 1, 2013. A Teacher, who has completed ten (10) years of full time equivalency service with the District and who is eligible for retirement under the Wisconsin Retirement System will be credited with: (a.) up to two hundred (200) accumulated sick days at the rate of pay of \$90 per day not to exceed \$18,000; and (b.) \$500 per year for every year of full time equivalency employment with the District, not to exceed \$15,000. The total dollars credited for accumulated sick days and accumulated years of employment with the District shall not exceed \$30,000. Teachers, who retire by filing an irrevocable resignation with the District by March 1st, shall be eligible for an additional \$2,000 above and beyond the \$30,000 limit, not to exceed \$32,000. The additional \$2,000 shall be prorated as listed below:

10-14 years of service -	\$1,000
15-19 years of service -	\$1,500
20 years of service and above -	\$2,000

An eligible Teacher who tenders his or her irrevocable resignation to the District, retires at the end of the contract year, shall receive the dollar amount contemplated in the preceding paragraphs as contributions to a tax-sheltered annuity (TSA).

TSA contributions will be made in a series of three (3) equal installments beginning in July after the Eligible Employee’s retirement and on the two (2) subsequent annual anniversaries of that date. Retirees receiving TSA contributions cannot be employed by the District.

Employees Covered by Benefit Terms. At June 30, 2024 (the measurement date), the following employees were covered by the benefit terms:

Retirees eligible and receiving benefits	8
Active teachers fully eligible	9
Active teachers not fully eligible	22
Total	39

This plan is closed to new entrants as it only applies to teachers hired before July 1, 2013.

Contributions. The District has continued to fund these stipend liabilities through its irrevocable trust that was previously reported as an “other postemployment benefit” trust. The District has indicated that the contribution amount to the trust is tied to the actuarial determined contribution (ADC) provided in prior actuarial studies. There are no contractual or statutory required contributions to the trust.

During the reporting period, the District contributed \$101,773 to the trust.

Net Pension Liability (Asset)

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

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

Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	30 year Level %
Discount Rate	6.00%
Amortization Growth Rate	3.00%
Inflation	2.50%

The valuation was based upon the data provided by the District. All of the demographic assumptions used for this report are approximately the same as those based on an experience study conducted in 2021 using the WRS experience from 2018-2020.

Changes in assumptions between years resulted in no change in the discount rate of 6.00%.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	1.84%	56%
Fixed Income	4.90%	43%
Cash	5.20%	1%

Discount Rate. The discount rate used to measure the total pension liability was 6.00%, which was the same discount rate used for the prior year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan	
		Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 269,732	\$ 341,929	\$ (72,197)
Changes for the year:			
Service cost	8,744	-	8,744
Interest	15,694	-	15,694
Differences between expected and actual experience	-	-	-
Changes of assumptions or other input	(6,873)	-	(6,873)
Contributions - employer	-	7,822	(7,822)
Net investment income	-	43,694	(43,694)
Benefit payments	(25,067)	(25,067)	-
Administrative expenses	-	(1,511)	1,511
Net changes	(7,502)	24,938	(32,440)
Balances at June 30, 2024	<u>\$ 262,230</u>	<u>\$ 366,867</u>	<u>\$ (104,637)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 6.00 percent as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease to Discount Rate (5.0%)	Current Discount Rate (6.0%)	1% Increase to Discount Rate (7.0%)
District's net supplemental pension liability (asset)	\$ (93,802)	\$ (104,637)	\$ (115,129)

Pension Plan Fiduciary Net Position. The plan does not issue stand-alone financial statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,306	\$ (19,449)
Changes of assumptions	17,360	(32,996)
Net difference between projected and actual earnings on pension plan investments	-	(11,769)
District contributions subsequent to the measurement date	101,773	-
Total	\$ 137,439	\$ (64,214)

\$101,773 reported as a deferred outflow of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (5,170)
2027	4,530
2028	(7,745)
2029	(5,206)
2030	(7,457)
Thereafter	(7,500)
Total	\$ (28,548)

8. Other Post-Employment Benefits

General Information about the Other Post-Employment Benefits

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

8. Other Post-Employment Benefits (Continued)

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

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

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

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

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

Contribution rates as of June 30, 2025 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

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

Life Insurance		
Member Contribution Rates*		
For the year ended December 31, 2024		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

8. Other Post-Employment Benefits (Continued)

During the reporting period, the LRLIF recognized \$1,771 in contributions from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$329,420 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.084202%, which was a decrease of 0.00021% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$29,562.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (34,271)
Net differences between projected and actual earnings on plan investments	4,524	-
Changes in actuarial assumptions	80,830	(184,765)
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,646	(13,024)
Employer contributions subsequent to the measurement date	913	-
Totals	\$ 118,913	\$ (232,060)

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

8. Other Post-Employment Benefits (Continued)

\$913 reported as deferred outflows related to OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (956)
2027	(20,029)
2028	(35,330)
2029	(38,436)
2030	(7,902)
Thereafter	(11,407)
Total	\$ (114,060)

Actuarial Assumptions. The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

*Based on the Bond Buyer GO 20-Bond Municipal Index.

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

8. Other Post-Employment Benefits (Continued)

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

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 4.09 percent, as well as what the District's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's proportionate share of the net OPEB liability (asset)	\$ 440,316	\$ 329,420	\$ 243,965

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

9. Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2025 were as follows:

Payable Fund	Receivable Fund	Amount	Purpose
Special Revenue	General Fund	\$ 5,617	Reimbursement
Debt Service	General Fund	475	Reimbursement
General Fund	Capital Projects	414,823	Future Capital Improvements
Subtotal - Major Funds		420,915	
General Fund	Benefit Trust	100,000	Contribution
Subtotal - Fiduciary Funds		100,000	
Subtotal - Fund Financial Statements		520,915	
Less: Fund Eliminations		(420,915)	
Total - Government-Wide Statements		\$ 100,000	

In the statement of net position, amounts reported in the governmental funds balance sheet as interfund balances have been eliminated within the district-wide statements.

During fiscal year ended June 30, 2025, the general fund transferred \$1,366,138 to the special education fund. This transfer was used to cover any costs not covered by direct revenues. Additionally, during the fiscal year ended June 30, 2025, the general fund transferred \$450,000 to the capital projects fund. In the statement of activities, amounts reported in the governmental funds statement of revenues, expenditures and changes in fund balances have been eliminated within the district-wide statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

10. Fund Balances

The following is a detailed schedule of ending fund balances as of June 30, 2025 as reported in the fund financial statements by category:

	General Fund	Debt Service	Food Service	Special Revenue	Community Service	Capital Projects	Total
Fund Balances:							
<u>Nonspendable:</u>							
Inventory	\$ -	\$ -	\$ 9,210	\$ -	\$ -	\$ -	\$ 9,210
Corpus of Permanent Fund	-	-	-	10,000	-	-	10,000
<u>Restricted for:</u>							
Food Service	-	-	67,695	-	-	-	67,695
Debt Service Reserve	-	401,067	-	-	-	-	401,067
Community Service	-	-	-	-	8,038	-	8,038
Donor Restrictions	-	-	-	418,879	-	-	418,879
Capital Projects	-	-	-	-	-	1,999,669	1,999,669
Common School Fund Carryover	12,825	-	-	-	-	-	12,825
<u>Assigned to:</u>							
Budget Carryover	21,217	-	-	-	-	-	21,217
<u>Unassigned:</u>							
Cash Flow Purposes	2,000,000	-	-	-	-	-	2,000,000
Unassigned	2,657,668	-	-	-	-	-	2,657,668
	\$ 4,691,710	\$ 401,067	\$ 76,905	\$ 428,879	\$ 8,038	\$ 1,999,669	\$ 7,606,268
Total Fund Balances							

11. Operating Leases

GASB Statement No. 87, Leases (GASB 87), is in effect for the District’s financial statements for the year ended June 30, 2025. One aspect of implementation of any statement issued by GASB is that the provision of the statement need not be applied to immaterial items. Management of the District evaluated all lease agreements currently in place and made the determination that at the present time, the implementation of GASB 87 would not have a material impact on the District’s financial statements; consequently, GASB 87 was not implemented for the District’s fiscal year ending June 30, 2025. Management will continue to assess the impact that GASB 87 may have on the District’s financial statements in the future and, if determined to be material, the provisions of the statement will be implemented at that time.

The District, as lessee, leases several copiers under a lease. The lease requires monthly payments of \$889 through February 2030. Future minimum lease payments on this lease are as follows:

Year Ended June 30,	
2026	\$ 10,896
2027	11,595
2028	12,338
2029	13,130
2030	9,120
	\$ 57,079

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

12. Limitation on School District Revenues

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

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

History of Increased Revenue Limits

In April 2023, the residents of the New Glarus School District passed a referendum that the District could override its revenue limit by \$1,400,000 for the 2023-2024 school year, by \$1,600,000 for the 2024-2025 school year, and by \$1,800,000 for the 2025-2026 school year, for non-recurring purposes consisting of expenses related to staffing, operating and maintaining school facilities, and maintaining current educational programming, extracurriculars, and services.

In April 2025, the residents of the New Glarus School District passed a referendum that the District could override its revenue limit by \$2,500,000 for the 2026-2027 school year, for recurring purposes consisting of expenses related to staffing, operating and maintaining school facilities, and maintaining current educational programming, extracurriculars, and services.

13. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles.

14. Effect of New Accounting Standard on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning after June 15, 2025, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for periods beginning after June 15, 2025. When these become effective, application of these standards may restate portions of these financial statements.

15. Subsequent Events

In September 2025, the District approved a bid for a concrete pad in the new bus lean-to building for \$33,927.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

16. Change in Reporting Entity and Accounting Principle

During fiscal year 2025, changes to the financial reporting entity and accounting principle resulted in restatements of beginning net position and fund balance as follows:

	Reporting Units Affected by Restatements of Beginning Balances		
	Governmental Activities	Special Revenue Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
7/1/2024, as previously reported	\$ 33,382,459	\$ 293,182	\$ 561,293
Change within financial reporting entity (major to non-major fund)	-	(293,182)	293,182
Change in accounting principle (GASB 101)	(1,218,538)	-	-
7/1/2024, as restated	<u>\$ 32,163,921</u>	<u>\$ -</u>	<u>\$ 854,475</u>

Implementation of GASB Statement No. 101 required net position in the governmental activities to be decreased. The decrease in net position was to reflect the District's compensated absences liability at the beginning of the year.

REQUIRED SUPPLEMENTARY INFORMATION

**New Glarus School District
New Glarus, Wisconsin**

**Budgetary Comparison Schedule for the General Fund
Budget and Actual
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 5,545,118	\$ 5,564,123	\$ 5,591,464	\$ 27,341
Interdistrict	1,160,462	1,174,039	1,183,223	9,184
State	7,289,938	7,329,791	7,344,641	14,850
Federal	74,825	110,016	87,597	(22,419)
Other	186,000	270,852	284,500	13,648
Total Revenues	<u>14,256,343</u>	<u>14,448,821</u>	<u>14,491,425</u>	<u>42,604</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Undifferentiated Curriculum	2,636,544	2,636,544	2,602,050	34,494
Regular Instruction	3,676,477	3,475,000	3,419,009	55,991
Vocational Instruction	407,688	407,688	418,016	(10,328)
Physical Instruction	329,989	329,989	327,552	2,437
Co-curricular Activities	248,779	248,779	235,565	13,214
Other Special Needs	6,000	6,000	2,350	3,650
Support Service				
Pupil Services	335,811	310,000	305,187	4,813
Instructional Staff Services	711,349	665,000	642,169	22,831
General Administration Services	435,029	435,029	406,505	28,524
Business Administration Services	736,796	755,000	754,665	335
Business Services	1,637,177	1,663,814	1,589,775	74,039
Central Services	86,006	65,000	72,419	(7,419)
Insurance and Judgments	174,013	193,000	192,801	199
Other Support Services	346,190	585,000	558,829	26,171
Non-Program Services	631,600	631,600	590,702	40,898
Debt Service	158,683	168,000	167,096	904
Capital Outlay	1,686,186	1,686,186	1,769,470	(83,284)
Total Expenditures	<u>14,244,317</u>	<u>14,261,629</u>	<u>14,054,160</u>	<u>207,469</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,026</u>	<u>187,192</u>	<u>437,265</u>	<u>250,073</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,392,881)	(1,779,338)	(1,816,138)	(36,800)
Debt Proceeds	606,855	606,855	606,855	-
Total Other Financing Sources (Uses)	<u>(786,026)</u>	<u>(1,172,483)</u>	<u>(1,209,283)</u>	<u>(36,800)</u>
Net Change in Fund Balance	(774,000)	(985,291)	(772,018)	213,273
Fund Balance - Beginning of Year	5,463,728	5,463,728	5,463,728	-
Fund Balance - End of Year	<u>\$ 3,968,100</u>	<u>\$ 3,756,809</u>	<u>\$ 4,691,710</u>	<u>\$ 934,901</u>

**New Glarus School District
New Glarus, Wisconsin**

**Budgetary Comparison Schedule for the Special Education Fund
Budget and Actual
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State	\$ 592,148	\$ 592,148	\$ 565,780	\$ (26,368)
Federal	253,137	253,137	169,841	(83,296)
Total Revenues	<u>845,285</u>	<u>845,285</u>	<u>735,621</u>	<u>(109,664)</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Special Instruction	1,595,834	1,595,834	1,533,236	62,598
Support Service				
Pupil Services	285,296	285,296	281,710	3,586
Instructional Staff Services	192,498	192,498	199,254	(6,756)
Business Services	26,166	26,166	23,748	2,418
Central Services	6,700	6,700	4,186	2,514
Non-Program Services	<u>131,672</u>	<u>131,672</u>	<u>59,625</u>	<u>72,047</u>
Total Expenditures	<u>2,238,166</u>	<u>2,238,166</u>	<u>2,101,759</u>	<u>136,407</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,392,881)</u>	<u>(1,392,881)</u>	<u>(1,366,138)</u>	<u>26,743</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,392,881</u>	<u>1,392,881</u>	<u>1,366,138</u>	<u>(26,743)</u>
Total Other Financing Sources and Uses	<u>1,392,881</u>	<u>1,392,881</u>	<u>1,366,138</u>	<u>(26,743)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**New Glarus School District
New Glarus, Wisconsin**

**Reconciliation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures
For the Year Ended June 30, 2025**

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 14,491,425	\$ 735,621
Reclassification: Special education fund revenues are reclassified to the general fund, required for GAAP reporting	735,621	(735,621)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 15,227,046	\$ -
	General Fund	Special Education Fund
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 14,054,160	\$ 2,101,759
Reclassification: Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	2,101,759	(2,101,759)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 16,155,919	\$ -

**NEW GLARUS SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
June 30, 2025**

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of the District's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.03693464%	\$ 606,897	\$ 7,618,350	7.97%	98.79%
2023	0.03792894%	563,929	7,213,341	7.82%	98.85%
2022	0.03863829%	2,046,942	6,898,860	29.67%	95.72%
2021	(0.03922337%)	(3,161,475)	6,684,557	(47.30%)	(106.02%)
2020	(0.03938035%)	(2,458,569)	6,534,689	(37.62%)	(105.26%)
2019	(0.03933006%)	(1,268,180)	6,380,274	(19.88%)	(102.96%)
2018	0.03888884%	1,383,543	6,021,379	22.98%	96.45%
2017	(0.03861936%)	(1,146,654)	5,785,117	(19.82%)	(102.93%)
2016	0.03848444%	317,204	5,568,082	5.70%	99.12%
2015	0.03861657%	627,512	5,450,905	11.51%	98.20%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years****

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ 538,745	\$ (538,745)	\$ -	\$ 7,771,972	6.90%
2024	516,956	(516,956)	-	7,531,675	6.80%
2023	471,660	(471,660)	-	7,049,245	6.69%
2022	451,805	(451,805)	-	6,853,899	6.59%
2021	441,616	(441,616)	-	6,535,553	6.76%
2020	438,500	(438,500)	-	6,567,826	6.68%
2019	411,903	(411,903)	-	6,236,748	6.60%
2018	397,814	(397,814)	-	5,905,403	6.74%
2017	385,798	(385,798)	-	5,735,418	6.73%
2016	365,714	(365,714)	-	5,474,826	6.68%

**The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

**NEW GLARUS SCHOOL DISTRICT
SUPPLEMENTAL PENSION LIABILITY SCHEDULES
June 30, 2025**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
<u>Total Pension Liability</u>										
Service Cost	\$ 8,744	\$ 9,636	\$ 16,273	\$ 15,915	\$ 14,894	\$ 13,860	\$ 13,935	\$ 14,993	\$ 11,942	\$ 11,942
Interest	15,694	13,755	6,920	6,692	10,082	10,109	9,706	8,518	10,246	11,094
Changes of Assumptions or Other Inputs	(6,873)	(11,272)	(31,236)	-	7,606	3,331	(2,899)	(6,608)	38,662	-
Differences Between Expected and Actual Experience	-	-	(670)	-	(16,722)	-	(11,100)	-	59,508	-
Benefit Payments	(25,067)	(25,334)	(15,501)	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)
Net Change in Total Pension Liability (Assets)	(7,502)	(13,215)	(24,214)	12,773	11,693	12,801	(10,525)	(8,931)	97,692	(31,188)
Total Pension Liability - Beginning	269,732	282,947	307,161	294,388	282,695	269,894	280,419	289,350	191,658	222,846
Total Pension Liability - Ending (a)	<u>\$ 262,230</u>	<u>\$ 269,732</u>	<u>\$ 282,947</u>	<u>\$ 307,161</u>	<u>\$ 294,388</u>	<u>\$ 282,695</u>	<u>\$ 269,894</u>	<u>\$ 280,419</u>	<u>\$ 289,350</u>	<u>\$ 191,658</u>
<u>Fiduciary Net Position</u>										
Contributions - Employer	\$ 7,822	\$ 7,880	\$ 31,712	\$ 77,810	\$ 22,616	\$ 21,819	\$ 19,152	\$ 19,028	\$ 6,772	\$ 32,288
Other	-	-	-	-	-	-	-	-	-	-
Net Investment Income	43,694	28,834	(52,878)	54,844	12,106	12,511	10,823	15,079	2,103	502
Benefit Payments	(25,067)	(25,334)	(15,501)	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)
Fund Transfer	-	-	-	-	-	-	-	-	(120,000)	-
Administrative Expense	(1,511)	(1,459)	(1,617)	(1,285)	(981)	(1,123)	(1,146)	(1,385)	(2,256)	-
Net Change in Fiduciary Net Position	24,938	9,921	(38,284)	121,535	29,574	18,708	8,662	6,888	(136,047)	(21,434)
Fiduciary Net Position - Beginning	341,929	332,008	370,292	248,757	219,183	200,475	191,813	184,925	320,972	342,406
Fiduciary Net Position - Ending (b)	<u>\$ 366,867</u>	<u>\$ 341,929</u>	<u>\$ 332,008</u>	<u>\$ 370,292</u>	<u>\$ 248,757</u>	<u>\$ 219,183</u>	<u>\$ 200,475</u>	<u>\$ 191,813</u>	<u>\$ 184,925</u>	<u>\$ 320,972</u>
<u>Net Pension Liability (Asset)</u>										
Net Pension Liability (Asset) - (a) - (b)	\$ (104,637)	\$ (72,197)	\$ (49,061)	\$ (63,131)	\$ 45,631	\$ 63,512	\$ 69,419	\$ 88,606	\$ 104,425	\$ (129,314)
Fiduciary net position as a percentage of the total pension liability	139.90%	126.77%	117.34%	120.55%	84.50%	77.53%	74.28%	68.40%	63.91%	167.47%
Covered Payroll	\$ 2,328,750	\$ 2,607,201	\$ 2,607,201	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,886,550	\$ 2,886,550	\$ 3,310,328
Net pension liability (asset) as a percent of covered payroll	-4.49%	-2.77%	-1.88%	-2.15%	1.56%	2.17%	2.37%	3.07%	3.62%	-3.91%

*The data provided above is presented as of the measurement date which is 12 months prior to the financial statement date.

**NEW GLARUS SCHOOL DISTRICT
SUPPLEMENTAL PENSION LIABILITY SCHEDULES
June 30, 2025**

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)**	\$ 1,773	\$ 8,116	\$ 7,880	\$ 40,703	\$ 39,517	\$ 22,474	\$ 21,819	\$ 19,599	\$ 19,028	\$ 6,772
Contributions in Related to the ADC**	101,773	7,822	7,880	31,712	77,810	22,616	21,819	19,152	19,028	6,772
Contribution deficiency (excess)	<u>\$ (100,000)</u>	<u>\$ 294</u>	<u>\$ -</u>	<u>\$ 8,991</u>	<u>\$ (38,293)</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,399,392	\$ 2,328,750	\$ 2,607,201	\$ 2,607,201	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,886,550	\$ 2,886,550
Contributions as a percentage of covered-employee payroll	4.24%	0.34%	0.30%	1.22%	2.65%	0.77%	0.74%	0.65%	0.66%	0.23%

**District's contributions and other amounts presented above are for each fiscal year based on information that occurred in that fiscal year.

**NEW GLARUS SCHOOL DISTRICT
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
June 30, 2025**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT
BENEFIT LIABILITY AS OF THE MEASUREMENT DATE**

Last 10 Fiscal Years*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of the District's covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2024	0.08420200%	\$ 329,420	\$ 4,285,000	7.69%	37.2%
2023	0.08441200%	388,350	4,239,000	9.16%	33.90%
2022	0.08246900%	314,193	3,975,000	7.90%	38.81%
2021	0.08706100%	514,563	3,945,000	13.04%	29.57%
2020	0.07797500%	428,919	3,976,000	10.79%	31.36%
2019	0.07125300%	303,409	3,659,000	8.29%	37.58%
2018	0.06265100%	161,661	3,371,000	4.80%	48.69%
2017	0.05705800%	171,664	2,399,542	7.15%	44.81%

*The proportionate share of the net other post-employment benefit liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Last 10 Fiscal Years**

Year ended June 30,	Contractually required contributions	Contributions in relation to contractually required contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 1,805	\$ (1,805)	\$ -	\$ 4,647,064	0.04%
2024	1,819	(1,819)	-	4,588,526	0.04%
2023	1,625	(1,625)	-	3,937,000	0.04%
2022	1,765	(1,765)	-	3,615,081	0.05%
2021	1,702	(1,702)	-	3,229,054	0.05%
2020	1,478	(1,478)	-	3,433,000	0.04%
2019	1,357	(1,357)	-	3,654,161	0.04%
2018	1,276	(1,276)	-	3,369,000	0.04%

**The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

1. Budget Schedule

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, which is in accordance with generally accepted accounting principles. The legally adopted budget and budgetary expenditure control is exercised at the two-digit function for all funds. Reported budget amounts are as originally adopted or as amended by the 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 a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may alter the proposed budget.
- After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.

Appropriations lapse at year-end unless authorized as a carryover by the School Board.

2. Excess of Actual Expenditures Over Budget in Individual Funds

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental and special revenue funds.

The following functions had an excess of actual expenditures over budget for the year ended June 30, 2025:

Fund	Function	Amount
General	Vocational Instruction	\$ 10,328
General	Central Services	7,419
General	Capital Outlay	83,284
Special Education	Instructional Staff Services	6,756

Total expenditures were under budget by \$207,469 and \$136,407 for the general fund and special education fund, respectively.

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

3. Wisconsin Retirement System Schedules

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-end December 31, 2021, including the following:

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

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

3. Wisconsin Retirement System Schedules (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

3. Wisconsin Retirement System Schedules (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

4. Supplemental Pension Liability Schedules

Changes of Benefit Terms. There were no changes of benefit terms.

Changes of Assumptions. There were no changes of assumptions.

Key methods and assumptions used to calculate actuarially determined contribution:

Amortization Growth Rate	3.00%
Inflation	2.50%
Salary Increases	0.10 to 5.60%
Discount Rate/Investment Rate of Return	6.00%
Amortization Method	30 year Level %

5. Local Retiree Life Insurance Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

**New Glarus School District
New Glarus, Wisconsin**

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025**

	<u>Food Service</u>	<u>Community Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total Non- Major Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 111,294	\$ 8,038	\$ 425,227	\$ 544,559
Receivables:				
Accounts	517	-	9,269	9,786
Other	18,336	-	-	18,336
Due from Other Governments	5,827	-	-	5,827
Inventories	9,210	-	-	9,210
Total Assets	<u>\$ 145,184</u>	<u>\$ 8,038</u>	<u>\$ 434,496</u>	<u>\$ 587,718</u>
LIABILITIES				
Accounts Payable	\$ 43,019	\$ -	\$ -	\$ 43,019
Due to Other Funds	-	-	5,617	5,617
Deposits	25,260	-	-	25,260
Total Liabilities	<u>68,279</u>	<u>-</u>	<u>5,617</u>	<u>73,896</u>
FUND BALANCES				
Nonspendable	9,210	-	10,000	19,210
Restricted	67,695	8,038	418,879	494,612
Total Fund Balances	<u>76,905</u>	<u>8,038</u>	<u>428,879</u>	<u>513,822</u>
Total Liabilities and Fund Balances	<u>\$ 145,184</u>	<u>\$ 8,038</u>	<u>\$ 434,496</u>	<u>\$ 587,718</u>

**New Glarus School District
New Glarus, Wisconsin**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025**

	<u>Food Service</u>	<u>Community Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total Non- Major Governmental Funds</u>
REVENUES				
Local	\$ 532,521	\$ -	\$ 269,491	\$ 802,012
State	9,682	-	-	9,682
Federal	218,670	-	-	218,670
Other	-	-	11,781	11,781
Total Revenues	<u>760,873</u>	<u>-</u>	<u>281,272</u>	<u>1,042,145</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Regular Instruction	-	-	3,852	3,852
Co-Curricular Activities	-	-	131,197	131,197
Total Instruction	<u>-</u>	<u>-</u>	<u>135,049</u>	<u>135,049</u>
Support Services				
Business Services	-	-	5,526	5,526
Food Service	748,586	-	-	748,586
Total Support Services	<u>748,586</u>	<u>-</u>	<u>5,526</u>	<u>754,112</u>
Total Current Expenditures	<u>748,586</u>	<u>-</u>	<u>140,575</u>	<u>889,161</u>
Capital Outlay	488,637	-	5,000	493,637
Total Expenditures	<u>1,237,223</u>	<u>-</u>	<u>145,575</u>	<u>1,382,798</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(476,350)</u>	<u>-</u>	<u>135,697</u>	<u>(340,653)</u>
Net Change in Fund Balances	<u>(476,350)</u>	<u>-</u>	<u>135,697</u>	<u>(340,653)</u>
Fund Balances - Beginning of Year	553,255	8,038	-	561,293
Change within financial reporting entity (major to non-major)	-	-	293,182	293,182
Fund Balances - Beginning of Year, as restated	<u>553,255</u>	<u>8,038</u>	<u>293,182</u>	<u>854,475</u>
Fund Balances - End of Year	<u>\$ 76,905</u>	<u>\$ 8,038</u>	<u>\$ 428,879</u>	<u>\$ 513,822</u>



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

To the Board of Education
New Glarus School District
New Glarus, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Glarus School District (the “District”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 8, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2025-001 that we consider to be a significant deficiency.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

New Glarus School District's Response to Findings

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 8, 2025



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE WISCONSIN DEPARTMENT OF PUBLIC
INSTRUCTION

To the Board of Education
New Glarus School District
New Glarus, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the New Glarus School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *Wisconsin Public School District Audit Manual* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The District's major state programs are identified in the summary of auditor's 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 state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual*. Our responsibilities under those standards and the *Wisconsin Public School District Audit Manual* are further described in the Auditor's 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 state program. Our audit does not provide 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 state programs.

Auditor's Responsibilities of 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*, and the *Wisconsin Public School District Audit Manual* 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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Wisconsin Public School District Audit Manual*, 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 *Wisconsin Public School District Audit Manual*, 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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 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 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items #2025-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit 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 compliance, and, accordingly, we express no opinion on the response.

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 testing based on requirements of the *Wisconsin Public School District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 8, 2025

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025**

Administering Agency Pass-Through Agency Award Description	Federal Assistance Listing	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2024	Revenues Grantor Reimbursements	Expenditures	Accrued Receivable June 30, 2025
<u><i>U.S. DEPARTMENT OF AGRICULTURE</i></u>						
Wisconsin Department of Public Instruction:						
Child Nutrition Cluster:						
Food Distribution - Donated Commodities	10.555	Not Available	\$ -	\$ 49,598	\$ 49,598	\$ -
National School Lunch Program	10.555	2025-233934-DPI-NSL-547	(3,156)	130,869	132,554	4,841
National School Breakfast Program	10.553	2025-233934-DPI-SB-546	(679)	36,211	36,518	986
Total Child Nutrition Cluster			<u>(3,835)</u>	<u>216,678</u>	<u>218,670</u>	<u>5,827</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>(3,835)</u>	<u>216,678</u>	<u>218,670</u>	<u>5,827</u>
<u><i>U.S. DEPARTMENT OF EDUCATION</i></u>						
Wisconsin Department of Public Instruction:						
Title I - Part A	84.010A	2025-233934-DPI-TI-A-141	(8,202)	30,796	22,594	-
Title II - Part A	84.367A	2025-233934-DPI-TIIA-365	-	6,755	6,755	-
Title IV - Part A	84.424A	2025-233934-DPI-TIVA-381	-	10,000	10,000	-
Special Education Cluster:						
IDEA Flow-Through	84.027A	2025-233934-DPI-FLOW-341	(79,848)	174,855	137,962	42,955
Preschool Entitlement	84.173A	2025-233934-DPI-PRESCH-347	(3,810)	7,827	5,042	1,025
Total Special Education Cluster			<u>(83,658)</u>	<u>182,682</u>	<u>143,004</u>	<u>43,980</u>
Oregon School District:						
Carl Perkins Act Formula Allocation	84.048	2025-233934-DPI-CTE-400	(5,290)	5,290	3,962	3,962
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>(97,150)</u>	<u>235,523</u>	<u>186,315</u>	<u>47,942</u>
<u><i>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i></u>						
Wisconsin Department of Health Services:						
School Based Services	93.778	Not Available	(3,025)	78,109	75,084	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>(3,025)</u>	<u>78,109</u>	<u>75,084</u>	<u>-</u>
TOTALS			<u>\$ (104,010)</u>	<u>\$ 530,310</u>	<u>\$ 480,069</u>	<u>\$ 53,769</u>

79

See notes to schedules of expenditures of federal and state awards.

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2025

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2024	Revenues State Reimbursements	Expenditures Grantor	Accrued Receivable (Deferred Revenue) June 30, 2025
<i>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</i>						
<i>Entitlement Programs</i>						
Special Education and School Age Parents Direct State Payments	255.101	233934-100	\$ -	\$ 521,001	\$ 521,001	\$ -
<i>Cost Reimbursement Programs</i>						
State Lunch	255.102	233934-107	-	4,857	4,857	-
Morning Milk	255.115	233934-109	-	2,349	2,349	-
State Breakfast	255.344	233934-108	-	2,477	2,477	-
Total Cost Reimbursement Programs			-	9,683	9,683	-
<i>Other Aids</i>						
General Equalization	255.201	233934-116	-	6,482,038	6,482,038	-
Common School Fund	255.103	233934-104	-	71,490	71,490	-
Pupil Transportation	255.107	233934-102	-	16,575	16,575	-
High Cost Special Education Aid	255.210	233934-119	-	44,779	44,779	-
Mental Health Services Grant	255.297	233934-177	-	26,974	26,974	-
Per Pupil Adjustment Aid	255.945	233934-113	-	640,346	640,346	-
Educator Effectiveness Grant	255.940	233934-154	-	6,653	6,653	-
School Mental Health Programs Aid	255.227	233934-176	-	22,364	22,364	-
Robotics Lead Participation Grants	255.959	233934-167	-	2,496	2,496	-
Career and Technical Education Incentive Grants	255.950	233934-171	-	7,494	7,494	-
Total Other Aids			-	7,321,209	7,321,209	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			-	7,851,893	7,851,893	-
<i>WISCONSIN DEPARTMENT OF JUSTICE</i>						
<i>Other Aids</i>						
Digital Mapping Initiative Grant	455.206	Not Available	-	3,010	3,010	-
TOTAL WISCONSIN DEPARTMENT OF JUSTICE			-	3,010	3,010	-
<i>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</i>						
<i>Other Aids</i>						
Youth Apprenticeship Grant Program	445.194	Not Available	-	9,028	9,028	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			-	9,028	9,028	-
TOTALS			\$ -	\$ 7,863,931	\$ 7,863,931	\$ -

80

See notes to schedules of expenditures of federal and state awards.

NEW GLARUS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025

Note 1 Reporting Entity

The accompanying schedules of expenditures of Federal and State Awards include the federal and state grant activity of the New Glarus School District.

Note 2 Basis of Presentation

The accounting records for the grant programs are maintained on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in preparation of the financial statements.

Note 3 Food Distribution

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed (\$49,598).

Note 4 Medical Assistance

Expenditures presented for the Medicaid SBS Benefit represent only the federal funds for the program that the District receives from DHS. District records should be consulted to determine the total amount expended for this program.

Note 5 Subrecipients

No amounts were passed through to subrecipients.

Note 6 De Minimis Cost Rate

The District does not use an indirect cost rate.

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

* Material weakness identified? No

* Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

* Material weakness identified? No

* Significant deficiencies identified? Yes

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? Yes

Identification of major state programs:

<u>ID Number</u>	<u>Name of State Program or Cluster</u>
255.201	Equalization Aid
255.101	School Age Special Education
255.945	Per Pupil Adjustment Aid

Dollar threshold for distinguishing Types A and B programs: \$250,000

Section II – Financial Statement Findings

Finding #2025-001 – Segregation of Duties

Cause: The District has determined that hiring additional staff to perform separate accounting duties would be too costly.

Criteria: Good internal control necessitates a separation of duties regarding the handling and recording of cash receipts and cash disbursements.

Condition: The responsibility for the District's bookkeeping and accounting functions is assumed by a limited number of individuals.

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

Section II – Financial Statement Findings (Continued)

Finding #2025-001 – Segregation of Duties (Continued)

Effect: Because of the lack of segregation of duties, individuals could mishandle receipts and disbursements.

Recommendation: The District should be aware of the need for separation of duties and provide for as much separation of duties as is feasible in the circumstances.

District’s Response: Management of the District is aware of this deficiency and will continue to look for opportunities to strengthen this area. Segregation of duties is enhanced whenever possible and the Board of Education and management assumes an active role through monthly review of receipts and disbursements and monthly financial reports. In addition, the Board and management will continue to rely on its direct knowledge of daily operations and direct contact with employees to better control and safeguard assets.

Section III – State Awards Findings and Questioned Costs

Finding #2025-001 noted in Section II also applies to internal control procedures over state awards.

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Finding #2024-001 – This is still a finding. See #2025-001

Finding #2024-002 – This is no longer a finding.

School District of New Glarus

SUMMARY OF DEBT PREPAYMENT



Overview:

- The District has additional funds of \$850,000 for referendum debt payments in 2025-26 (in excess of scheduled calendar year debt payments)
- Balance can be used to prepay debt – 2012 bonds are currently callable
- Prepaying portions of the 2027 & 2028 maturities will provide capacity and flexibility for the operating referendum that begins with the 2026-27 school year
- The prepayment will save the District \$29,425 in future interest costs

Timeline:

	Tentative Date and Activity	Admin	Board	Baird	Bond Counsel	Fiscal Agent
By February 11, 2026	Bond Counsel to provide Agenda Language and Redemption Resolution	x			x	
Monday, February 23, 2026	Board adopts Redemption Resolution	x	x		x	
By February 27, 2026	District sends Call Notice (provided by bond counsel) to Associated Trust Company	x		x		x
Wednesday, April 1, 2026	District wires additional principal to Associated Trust for prepayment, at the same time as regular payments.	x		x		x
October 1, 2026, and thereafter	District begins making debt payments based on new debt schedule (provided by Baird at settlement)	x				x

School District of New Glarus

ILLUSTRATION OF PREPAYMENT



Calendar Year

Calendar Year	BEFORE PREPAYMENT ^(A)				AFTER PREPAYMENT				HYPOTHETICAL REDUCTION IN FUND 39 DEBT SERVICE	FUND 39 D/S PRIOR TO PREPAYMENT	HYPOTHETICAL FUND 39 D/S AFTER PREPAYMENT
	PRINCIPAL	RATE	INTEREST	TOTAL	PRINCIPAL	RATE	INTEREST	TOTAL			
	Amount: \$4,505,000				Amount: \$4,505,000						
	Type: G.O. School Improvement Bonds				Type: G.O. School Improvement Bonds						
	Date: March 5, 2012				Date: March 5, 2012						
	Callable: '23-'30 Callable 4/1/2022 @ Par				Callable: '23-'30 Callable 4/1/2022 @ Par						
	(4/1)		(4/1 & 10/1)		(4/1)		(4/1 & 10/1)				
2026	\$550,000	2.250%	\$49,063	\$599,063	\$550,000	2.250%	\$38,938	\$588,938	\$10,125	\$2,379,938	\$2,369,813
2027	\$570,000	2.250%	\$36,463	\$606,463	\$120,000	2.250%	\$21,275	\$141,275	\$465,188	\$2,383,588	\$1,918,400
2028	\$590,000	2.500%	\$22,675	\$612,675	\$185,000	2.500%	\$17,613	\$202,613	\$410,063	\$2,392,800	\$1,982,738
2029	\$600,000	2.550%	\$7,650	\$607,650	\$600,000	2.550%	\$7,650	\$607,650	\$0	\$2,386,950	\$2,386,950
2030										\$1,780,725	\$1,780,725
2031										\$1,982,725	\$1,982,725
2032										\$1,570,881	\$1,570,881
2033										\$1,568,781	\$1,568,781
2034										\$1,570,444	\$1,570,444
2035										\$1,570,813	\$1,570,813
2036										\$1,570,744	\$1,570,744
2037										\$1,568,400	\$1,568,400
2038										\$1,568,700	\$1,568,700
2039										\$1,568,400	\$1,568,400
2040										\$1,166,550	\$1,166,550
	<u>\$2,310,000</u>		<u>\$115,850</u>	<u>\$2,425,850</u>	<u>\$1,455,000</u>		<u>\$85,475</u>	<u>\$1,540,475</u>	<u>\$885,375</u>	<u>\$27,030,438</u>	<u>\$26,145,063</u>

Maturities to be Partially Prepaid

(A) After cash defeasances on 4/10/2013, 4/14/2014, and 4/4/2016

Estimated Sources Of Funds:			
Cash Requirement.....	\$855,950	Less: Principal Prepaid on 4/1/2026	(\$855,000)
Estimated Total Sources of Funds.....	\$855,950	Less: Bond Counsel Fee (est.)	(\$950)
		ESTIMATED SAVINGS FROM PREPAYMENT	\$29,425
Estimated Uses Of Funds:			
Principal Prepaid on 4/1/2026.....	\$855,000	Projected 2025-26 Fund 39 Debt Levy	\$3,229,938
Quarles & Brady Bond Counsel Fee (est.).....	\$950	Less: Fund 39 Debt Service Payments Due in 2026 (Before Prepayment)	(\$2,379,938)
Estimated Total Uses of Funds.....	\$855,950	Plus: 10/1/2026 Interest Savings from Prepayment	\$10,125
		ESTIMATED AMOUNT AVAILABLE FOR PREPAYMENT	\$860,125

IV. Adjourn

PURSUANT TO APPLICABLE LAW, NOTICE IS HEREBY GIVEN THAT A QUORUM OR A MAJORITY OF THE NEW GLARUS SCHOOL DISTRICT BOARD MEMBERS MAY ATTEND THIS MEETING. INFORMATION PRESENTED AT THIS MEETING MAY HELP FORM THE RATIONALE BEHIND FUTURE ACTIONS THAT MAY BE TAKEN BY THE NEW GLARUS SCHOOL DISTRICT BOARD.

UPON REQUEST TO THE DISTRICT OFFICE, SUBMITTED TWENTY-FOUR (24) HOURS IN ADVANCE, THE DISTRICT SHALL MAKE REASONABLE ACCOMMODATIONS INCLUDING THE PROVISION OF INFORMATIONAL MATERIAL IN AN ALTERNATIVE FORMAT FOR A DISABLED PERSON TO BE ABLE TO ATTEND THIS MEETING.