

SCHOOL DISTRICT OF WEBSTER

WEBSTER, WISCONSIN

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

SCHOOL DISTRICT OF WEBSTER

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Independent Auditor's Report

Board of Education
School District of Webster
Webster, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Webster, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Webster'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, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Webster, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 School District of Webster and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District of Webster's ability to continue as a going concern for one year after the date that the financial statements are issued or, when applicable, one year after the date that the financial statements are available to be issued.

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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District of Webster'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 School District of Webster's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, budgetary comparison information, required OPEB information, and required pension information on pages 60 through 69 be 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 the School District of Webster's basic financial statements. The combining schedules of internal general and special education funds statements, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by *Wisconsin State Single Audit Guidelines* and the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction and is also not a required part of the basic financial statements.

The combining schedules of internal general and special education funds statements, schedule of state financial assistance and schedule of expenditures of federal 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of internal general and special education funds statements, schedule of state financial assistance and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the School District of Webster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Webster's internal control over financial reporting and compliance.

Two Rivers Accounting, LLC

Two Rivers Accounting, LLC

Rice Lake, Wisconsin

December 15, 2025

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

As management of the School District of Webster, we offer the readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ending June 30, 2025. Please consider this information in conjunction with the District's financial statements, which begin on page 16 following this narrative.

FINANCIAL HIGHLIGHTS

- The District's overall financial position, as reflected in total net position, decreased in the current fiscal year by \$412,736.
- The District decreased the total amount of outstanding long-term debt by \$360,010. Of this amount, general obligation debt accounted for a decrease of \$655,000.
- The governmental funds total fund balance decreased by \$323,517.
- The General Fund's ending fund balance as of June 30, 2025 is \$3,128,057. This is 29.01% of General Fund expenditures. Of this balance, \$404,900 is nonspendable for prepaid expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Government-wide financial statements are the Statement of Net Position and Statement of Activities. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called governmental activities, from functions that are intended to recover all or a significant portion of costs through charges, called business type activities.

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

The Statement of Activities presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The government-wide financial statements are shown on pages 16 to 18 of this audit report.

Fund Financial Statements

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

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

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

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

The governmental fund financial statements can be found beginning on page 19 of this report.

Proprietary Funds - The District maintains one type of proprietary fund - an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its food service operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise fund, which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found beginning on page 24 of this report.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Notes to Financial Statements

The notes to basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 27 of this report. The major features of the District's financial statements, including the portion of the activities reported and the type of information contained, is shown in the table below:

TABLE 1:	<u>District-Wide Statements</u>	Fund Financial Statements	
		Governmental	Proprietary
Scope	Entire District (excluding fiduciary funds).	The activities of the District, which include instructional, support, and community services.	Activities the District operates similar to private business. (Ex: Food Service)
Required financial statements	Statement of net position and Statement of activities	Balance sheet, and Statement of revenues, expenditures, and changes in fund balance.	Statement of net position, and Statement of revenues, expenses, and changes in net position, and Statement of cash flows.
Basis of accounting and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term, as well as any deferred outflows and deferred inflows.	Generally, assets expected to be used up and liabilities that come due during year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital; short-term and long-term, as well as any deferred outflows and deferred inflows.
Type of inflow and outflow information	All revenues and expenditures during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the District's operating budget, pension, and OPEB plans. Required supplementary information can be found beginning on page 60 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining schedules of internal general and special education funds statements, combining and individual nonmajor fund financial statements, statement of charter school costs, schedule of state financial assistance and the schedule of expenditures of federal awards. This supplementary information section of the report begins on page 70.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District as a Whole

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

The governmental activities total assets are broken down into three categories: current and other assets, restricted assets, and capital assets. The capital assets represent the District's investment in land, buildings, equipment, and vehicles. The net investment in capital assets are calculated by taking the capital assets net of accumulated depreciation minus any related outstanding debt.

The restricted portion of the net position is monies set aside by the District, as required by state statute, to have available to make the debt service payments, donor advisement, and the Wisconsin Retirement System Pension Plan items. The amounts for non-spendable inventories of supplies and prepaid expenses in the governmental funds are classified as unrestricted in the government-wide financial statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Net Position

Table 2, below, provides a summary of the District's net position for the year ending June 30, 2025 compared to 2024. The total net position of governmental activities decreased by \$401,154 and the total net position of business activities decreased \$11,582 for an overall total decrease of \$412,736 from operations.

Table 2							
Condensed Statement of Net Position							
June 30, 2025 to June 30, 2024							
	Governmental Activities		Business-Type Activities		Total School District		%
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24	Change
Current and Other Assets	\$ 5,040,781	\$ 5,354,914	\$ 30,145	\$ 26,341	\$ 5,070,926	\$ 5,381,255	5.77%
Capital Assets	14,998,412	15,255,345	17,110	22,004	15,015,522	15,277,349	1.71%
Total Assets	20,039,193	20,610,259	47,255	48,345	20,086,448	20,658,604	2.77%
Deferred Outflow of Resources	2,408,455	3,553,070	74,162	108,139	2,482,617	3,661,209	32.19%
Current Liabilities	1,613,258	1,596,207	30,146	26,340	1,643,404	1,622,547	1.29%
Non-Current Liabilities	4,647,878	5,019,227	13,829	12,838	4,661,707	5,032,065	7.36%
Total Liabilities	6,261,136	6,615,434	43,975	39,178	6,305,111	6,654,612	5.25%
Deferred Inflow of Resources	1,530,809	2,491,038	40,464	68,746	1,571,273	2,559,784	38.62%
Net Position:							
Net Investment in Capital Assets	11,193,544	11,040,345	17,110	22,004	11,210,654	11,062,349	1.34%
Restricted	1,438,654	1,539,657	33,698	39,393	1,472,352	1,579,050	6.76%
Unrestricted	2,023,505	2,476,855	(13,830)	(12,837)	2,009,675	2,464,018	18.44%
Total Net Position	\$ 14,655,703	\$ 15,056,857	\$ 36,978	\$ 48,560	\$ 14,692,681	\$ 15,105,417	2.73%

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Change in Net Position

Table 3 shows the changes in net position for the fiscal years 2025 and 2024.

Table 3 Change in Net Position Comparison June 30, 2025 to June 30, 2024							
	Governmental Activities		Business-Type Activities		Total School District		Net
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24	Percentage Change
Revenues:							
Program Revenues:							
Charges for Services	\$ 859,978	\$ 886,686	\$ 123,496	\$ 96,933	\$ 983,474	\$ 983,619	0.01%
Operating Grants & Contributions	2,016,310	2,515,324	412,985	394,519	2,429,295	2,909,843	16.51%
General Revenues:							
Property Taxes	7,785,594	7,585,187	-	-	7,785,594	7,585,187	2.64%
State Formula Aid	1,022,594	1,018,820	-	-	1,022,594	1,018,820	0.37%
Other	106,055	121,555	78,286	34,605	184,341	156,160	18.05%
Total Revenues	11,790,531	12,127,572	614,767	526,057	12,405,298	12,653,629	1.96%
Expenses:							
Instruction	6,165,615	6,085,555	-	-	6,165,615	6,085,555	1.32%
Pupil & Instructional Services	1,084,902	988,068	-	-	1,084,902	988,068	9.80%
Administration and Business	461,240	338,594	-	-	461,240	338,594	36.22%
Buildings and Ground	1,053,828	1,032,694	-	-	1,053,828	1,032,694	2.05%
Pupil Transportation	1,594,116	1,675,618	-	-	1,594,116	1,675,618	4.86%
Community Service	132,059	128,569	-	-	132,059	128,569	2.71%
Interest and Fiscal Charges	101,869	119,099	-	-	101,869	119,099	14.47%
Food Service	-	-	626,349	579,935	626,349	579,935	8.00%
Other	1,598,056	1,517,451	-	-	1,598,056	1,517,451	5.31%
Total Expenses	12,191,685	11,885,648	626,349	579,935	12,818,034	12,465,583	2.83%
Change in Net Position	\$ (401,154)	\$ 241,924	\$ (11,582)	\$ (53,878)	\$ (412,736)	\$ 188,046	319.49%

As shown, charges for services provide 7.29%, state aid formula grants provide 8.67% of the funding for governmental activities. Federal and State revenues provide 67.18% of the funding for business-type activities (food service). The School District of Webster relied on property taxes for 66.03% of its governmental activities.

Program revenues, in the form of charges for services and operating and capital grants and contributions, accounted for 24.39% of the total governmental revenue of \$11,790,531.

Property taxes of \$7,785,594 increased \$200,407 over the 2023-2024 year. General state aid increased \$3,774 to \$1,022,594.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Net Cost of Governmental Activities

Table 4 reports the cost of eight major District activities. The table also shows each activity's net cost (total cost less fees generated by activities and intergovernmental aid provided for specific programs). The net cost reflects the amount that the District taxpayers actually paid for each activity.

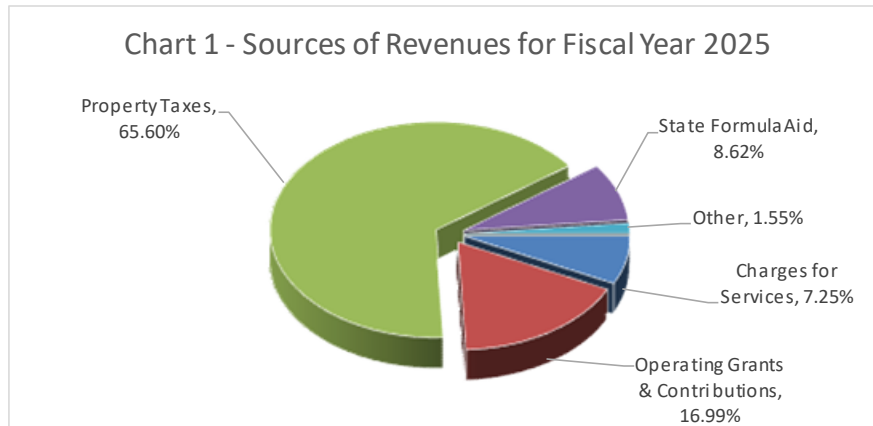
Table 4					
Governmental Activities					
June 30, 2025 and June 30, 2024					
	Total Cost of Services		Net Cost of Services		Net Cost
	6/30/25	6/30/24	6/30/25	6/30/24	% Change
Instruction	\$ 6,165,615	\$ 6,085,555	\$ 4,217,529	\$ 3,850,366	9.54%
Pupil & Instructional Services	1,084,902	988,068	518,137	132,381	291.40%
Administration and Business	461,240	338,594	461,240	338,594	36.22%
Buildings and Grounds	1,053,828	1,032,694	1,053,828	1,032,694	2.05%
Pupil Transportation	1,594,116	1,675,618	1,277,133	1,405,842	9.16%
Community Service	132,059	128,569	88,075	87,211	0.99%
Interest and Fiscal Charges	101,869	119,099	101,869	119,099	14.47%
Other	1,519,770	1,482,846	1,519,300	1,482,846	2.46%
Total	<u>\$ 12,113,399</u>	<u>\$ 11,851,043</u>	<u>\$ 9,237,111</u>	<u>\$ 8,449,033</u>	
Business-Type Activities					
	Total Cost of Services		Net Cost of Services		Net Cost
	6/30/25	6/30/24	6/30/25	6/30/24	% Change
Food Services	<u>\$ 626,349</u>	<u>\$ 579,935</u>	<u>\$ 89,868</u>	<u>\$ 88,483</u>	1.57%

The District is unique to most districts throughout the state of Wisconsin in the fact that the District relies primarily on property taxes to fund the governmental activities. The District receives minimal state aid. This past year, the amount of state aid formula grants received was \$1,022,594. This figure includes aids for such things such as Sparsity Aid - \$232,498, Per Pupil Adjustment Aid - \$448,910, and other miscellaneous sources.

The current state formula is based on a three-tier calculation in which there is primary, secondary and tertiary aid. Because of the District's high property values, it falls into what is known as negative secondary and tertiary aid. Meaning the secondary and tertiary aids are subtracted from the primary aid. However, the district does continue to receive some general aid because the state guarantees that each district will receive no less than 85% of the previous year's aid each year.

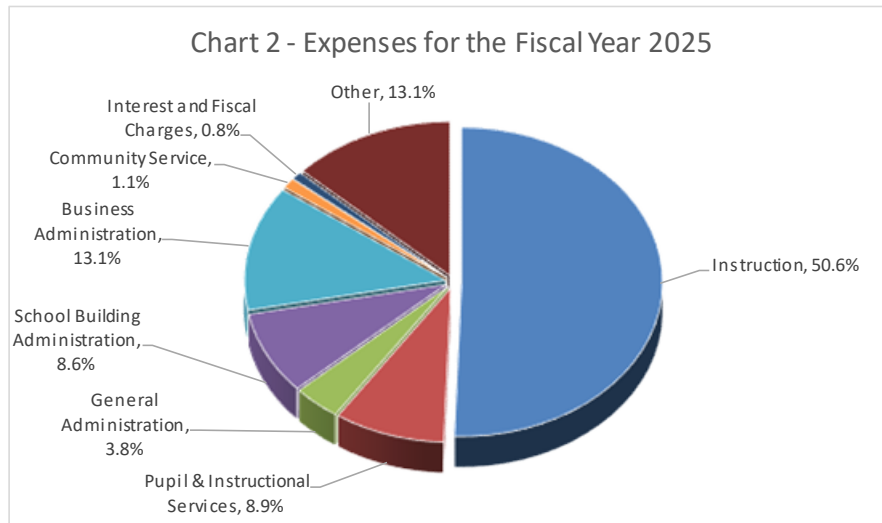
SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The chart below illustrates the governmental activities revenue sources for the year ending June 30, 2025.



Approximately 59.5% of the District's governmental activity expenditures pertain to the direct education of the students. The remaining 40.5% relate to administration costs and daily maintenance and operations.

The chart below illustrates the areas of expenditures for the year ending June 30, 2025.



Governmental Funds

The ending fund balance for the District's general fund was \$3,128,057, a decrease of \$478,211 from 2023-2024.

The debt service fund had a decrease in fund balance. The balance went from \$57,874 in 2023-2024 to \$48,077 in 2024-2025, a decrease of \$9,797.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The nonmajor governmental fund showed an increase of \$31,582 in total fund balance.

Budgetary Highlights

- General Fund: The decrease in the General Fund Balance can be attributed to rising fuel and utility costs along with higher HRA and benefit costs. The district also made a capital purchase of land for potential future expansion. In addition, there was a deficit in Fund 50 requiring a transfer.
- Debt Service: The small decrease in the Debt Service Fund Balance is primarily due to utilizing remaining funds from prior debt issues to keep the tax levy near the same amount.
- Food Service: The general fund had to make a transfer to the Fund 50 food service fund in order to maintain a zero balance as required. The costs were attributed to significantly increased food costs and a large decrease in reimbursements due to less F/R qualifiers.
- Community Service: The increase in the Community Service Fund Balance is due to lower than anticipated costs for summer school.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2025 fiscal year, the District had invested over twenty-five million dollars in a broad range of capital assets, including ball field dugouts, computer equipment, operation equipment, etc. (See Table 5.)

Total accumulated depreciation on these assets was \$10,690,642 for governmental activities and \$387,865 for business-type activities.

Asset acquisitions for governmental activities totaled \$549,663. The business-type activities did not report any asset acquisitions.

The District disposed of \$295,692 of capital assets for governmental activities, and the business-type activities did not have any disposals during the year.

The District recognized depreciation expense of \$800,807 for governmental activities and \$4,894 for business-type activities during the fiscal year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Table 5
Capital Assets
As of June 30, 2025 and June 30, 2024

	Governmental Activities		Business-Type Activities		Total School District		%
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24	Change
Land & Improvements	\$ 1,811,952	\$ 1,613,406	\$ -	\$ -	\$ 1,811,952	\$ 1,613,406	12.31%
Buildings & Improvements	19,742,735	19,722,461	-	-	19,742,735	19,722,461	0.10%
Right-to-Use Assets	244,868	-	-	-	244,868	-	100.00%
Machinery & Equipment	2,424,114	2,396,373	-	-	2,424,114	2,396,373	1.16%
Vehicles	1,465,385	1,702,843	-	-	1,465,385	1,702,843	13.94%
Kitchen Equipment	-	-	404,975	404,975	404,975	404,975	0.00%
Accumulated Depreciation	(10,690,642)	(10,179,738)	(387,865)	(382,971)	(11,078,507)	(10,562,709)	4.88%
Total	<u>\$ 14,998,412</u>	<u>\$ 15,255,345</u>	<u>\$ 17,110</u>	<u>\$ 22,004</u>	<u>\$ 15,015,522</u>	<u>\$ 15,277,349</u>	

Long-Term Debt

As of June 30, 2025, the District had \$5,426,600 in general obligation bonds and other long-term debt outstanding.

Table 6
Outstanding Long-Term Debt
As of June 30, 2025 and June 30, 2024

	Total District 6/30/2025	Total District 6/30/2024	Total Percent Change
General Obligation Debt	\$ 3,560,000	\$ 4,215,000	15.54%
Lease Obligations	244,868	-	100.00%
Land Contract	75,000	-	100.00%
WRS Pension Liability	428,869	407,453	5.26%
Sick and Vacation Benefits	742,983	747,947	0.66%
Other Postemployment Benefits	321,308	325,827	1.39%
Supplemental Pension Benefits	53,572	90,383	40.73%
Total	<u>\$ 5,426,600</u>	<u>\$ 5,786,610</u>	

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are currently several known factors that will have bearing on the District's future, particularly under the current revenue cap laws.

- **Current State Aid Formula:** The District has seen a decrease in state aids such as Equalization Aid, High Poverty Aid, and Per Pupil Aid. Unfortunately, the certainty of these aids is unknown.
- **Enrollment Figures:** The District's enrollment saw a slight increase in the 2024-2025 school year but had a significant decrease in the 2023-2024 school year. The Revenue Limit is based on a three-year average; the District is seeing the effect on its revenue limit. However, it is also seeing a large increase in open enrollment in students.
- **Grants:** The District continues to see changes in both Federal and State Grants. The District has also received some mini grants.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is prepared to provide an understanding of the overall picture of the District's financial position. It also demonstrates the accountability for the money the District receives. For any questions regarding this report or need additional information, contact Joshua Hetfeld, District Administrator or Crystal Houman, District Accountant, School District of Webster, PO Box 9, Webster, WI 54893.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Investments	\$ 1,355,905	\$ -	\$ 1,355,905
Taxes Receivable	2,659,398	-	2,659,398
Accounts Receivable	47,791	3,321	51,112
Due from State Government	50,508	-	50,508
Due from Federal Government	357,195	114,349	471,544
Due from Other Governments	45,672	-	45,672
Internal Balances	119,025	(119,025)	-
Inventories and Prepaid Items	405,287	31,500	436,787
Capital Assets:			
Capital Assets Being Depreciated	25,689,054	404,975	26,094,029
Accumulated Depreciation	(10,690,642)	(387,865)	(11,078,507)
Total Capital Assets	14,998,412	17,110	15,015,522
Total Assets	20,039,193	47,255	20,086,448
Deferred Outflows of Resources:			
Wisconsin Retirement System Pension Plan Items	2,299,945	74,162	2,374,107
Other Postemployment Benefit Related	37,150	-	37,150
Supplemental Pension Benefit Related	71,360	-	71,360
Total Deferred Outflows of Resources	2,408,455	74,162	2,482,617
Liabilities:			
Accounts Payable	42,773	930	43,703
Due to Other Governments	61	-	61
Accrued Interest Payable	23,457	-	23,457
Accrued Payroll and Related Liabilities	782,074	16,121	798,195
Deposits Payable	-	13,095	13,095
Long-Term Liabilities:			
Amounts Due Within One Year	764,893	-	764,893
Amounts Due in More than One Year:			
Long-Term Liabilities	3,127,158	-	3,127,158
Vacation and Sick Leave	730,800	-	730,800
Wisconsin Retirement System Plan Liability	428,869	13,829	442,698
Other Postemployment Benefit Liability	321,308	-	321,308
Supplemental Pension Benefit Liability	39,743	-	39,743
Total Liabilities	6,261,136	43,975	6,305,111

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Wisconsin Retirement System Pension Plan Items	\$ 1,254,873	\$ 40,464	\$ 1,295,337
Other Postemployment Benefit Related	274,405	-	274,405
Supplemental Pension Benefit Related	1,531	-	1,531
Total Deferred Inflows of Resources	1,530,809	40,464	1,571,273
Net Position:			
Net Investment in Capital Assets	11,193,544	17,110	11,210,654
Restricted for:			
Debt Service	24,620	-	24,620
Donor Advisement	797,831	-	797,831
Wisconsin Retirement System Pension Plan Items	616,203	33,698	649,901
Unrestricted	2,023,505	(13,830)	2,009,675
Total Net Position	<u>\$ 14,655,703</u>	<u>\$ 36,978</u>	<u>\$ 14,692,681</u>

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions / Programs:	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Undifferentiated Curriculum	\$ 1,394,557	\$ 282,946	\$ 369,058	\$ (742,553)	\$ -	\$ (742,553)
Regular Instruction	2,279,205	-	-	(2,279,205)	-	(2,279,205)
Special Education Instruction	1,064,736	212,827	513,984	(337,925)	-	(337,925)
Vocational Instruction	489,232	112,230	4,934	(372,068)	-	(372,068)
Other Instruction	937,885	207,992	244,116	(485,777)	-	(485,777)
Total Instruction	<u>6,165,615</u>	<u>815,994</u>	<u>1,132,092</u>	<u>(4,217,529)</u>	<u>-</u>	<u>(4,217,529)</u>
Support Services:						
Pupil Services	576,475	-	48,550	(527,925)	-	(527,925)
Instructional Staff Services	508,427	-	518,215	9,788	-	9,788
General Administration	461,240	-	-	(461,240)	-	(461,240)
School Building Administration	1,053,828	-	-	(1,053,828)	-	(1,053,828)
Business Administration	1,594,116	-	316,983	(1,277,133)	-	(1,277,133)
Central Services	56,498	-	-	(56,498)	-	(56,498)
Insurance and Judgments	134,728	-	-	(134,728)	-	(134,728)
Interest and Fiscal Charges	101,869	-	-	(101,869)	-	(101,869)
Other Support Services	481,231	-	470	(480,761)	-	(480,761)
Nonprogram	847,313	-	-	(847,313)	-	(847,313)
Community Service	132,059	43,984	-	(88,075)	-	(88,075)
Total Support Services	<u>5,947,784</u>	<u>43,984</u>	<u>884,218</u>	<u>(5,019,582)</u>	<u>-</u>	<u>(5,019,582)</u>
Total Governmental Activities	<u>12,113,399</u>	<u>859,978</u>	<u>2,016,310</u>	<u>(9,237,111)</u>	<u>-</u>	<u>(9,237,111)</u>
Business-Type Activities:						
Food Services	626,349	123,496	412,985	-	(89,868)	(89,868)
Total School District	<u>\$ 12,739,748</u>	<u>\$ 983,474</u>	<u>\$ 2,429,295</u>	<u>(9,237,111)</u>	<u>(89,868)</u>	<u>(9,326,979)</u>
General Revenues:						
Taxes:						
Property Taxes Levied for General Operations				6,901,869	-	6,901,869
Property Taxes Levied for Debt Service				749,725	-	749,725
Property Taxes Levied for Community Service				134,000	-	134,000
State Aid Formula Grants				1,022,594	-	1,022,594
Investment Earnings				40,704	-	40,704
Proceeds from Sale of School Property				6,925	-	6,925
Miscellaneous Sources				136,712	-	136,712
Transfers In				-	78,286	-
Transfers Out				(78,286)	-	(78,286)
Total General Revenues				<u>8,914,243</u>	<u>78,286</u>	<u>8,914,243</u>
Change in Net Position				(401,154)	(11,582)	(412,736)
Net Position, Beginning of Year				15,056,857	48,560	15,105,417
Net Position, End of Year				<u>\$ 14,655,703</u>	<u>\$ 36,978</u>	<u>\$ 14,692,681</u>

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Debt Service Fund	Gift Fund	Capital Projects Fund	Nonmajor Community Service Fund	Total Governmental Funds
Assets:						
Cash and Investments	\$ 246,103	\$ 48,077	\$ 781,104	\$ -	\$ 280,621	\$ 1,355,905
Taxes Receivable	2,659,398	-	-	-	-	2,659,398
Accounts Receivable	9,022	-	20,610	-	18,159	47,791
Due from State Government	50,508	-	-	-	-	50,508
Due from Federal Government	357,195	-	-	-	-	357,195
Due from Other Governments	45,672	-	-	-	-	45,672
Due from Other Funds	119,025	-	-	-	-	119,025
Prepaid Items	404,900	-	191	-	196	405,287
Total Assets	<u>\$ 3,891,823</u>	<u>\$ 48,077</u>	<u>\$ 801,905</u>	<u>\$ -</u>	<u>\$ 298,976</u>	<u>\$ 5,040,781</u>
Liabilities:						
Accounts Payable	\$ 33,523	\$ -	\$ 3,883	\$ -	\$ 5,367	\$ 42,773
Due to Other Governments	61	-	-	-	-	61
Accrued Payroll and Related Liabilities	730,182	-	-	-	51,892	782,074
Total Liabilities	<u>763,766</u>	<u>-</u>	<u>3,883</u>	<u>-</u>	<u>57,259</u>	<u>824,908</u>
Fund Balance:						
Nonspendable	404,900	-	191	-	196	405,287
Restricted for:						
Debt Service	-	48,077	-	-	-	48,077
Donor Advisement	-	-	797,831	-	-	797,831
Assigned for Community Services	-	-	-	-	241,521	241,521
Unassigned	2,723,157	-	-	-	-	2,723,157
Total Fund Balance	<u>3,128,057</u>	<u>48,077</u>	<u>798,022</u>	<u>-</u>	<u>241,717</u>	<u>4,215,873</u>
Total Liabilities and Fund Balance	<u>\$ 3,891,823</u>	<u>\$ 48,077</u>	<u>\$ 801,905</u>	<u>\$ -</u>	<u>\$ 298,976</u>	<u>\$ 5,040,781</u>

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds \$ 4,215,873

Amounts reported for governmental activities in the statement of net position are different because:

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

Land and Land Improvements	\$ 1,811,952	
Buildings and Improvements	19,742,735	
Vehicles	1,465,385	
Right-to-Use Assets	244,868	
Machinery and Equipment	2,424,114	
Accumulated Depreciation	<u>(10,690,642)</u>	14,998,412

Wisconsin Retirement System Pension:

Net pension liability and deferred outflows and inflows are recorded only on the Statement of Net Position.

Balances at year-end are:

Pension Liability	(428,869)	
Deferred Outflows of Resources	2,299,945	
Deferred Inflows of Resources	<u>(1,254,873)</u>	616,203

Other Postemployment Benefits:

Net OPEB liability and deferred inflows are recorded only on the Statement of Net Position.

Balances at year-end are:

Other Postemployment Benefit Liability	(321,308)	
Deferred Outflows of Resources - OPEB	37,150	
Deferred Inflows of Resources - OPEB	<u>(274,405)</u>	(558,563)

Supplemental Pension Benefits:

Net Pension liability and deferred inflows are recorded only on the Statement of Net Position.

Balances at year-end are:

Supplemental Pension Benefit Liability	(39,743)	
Deferred Outflows of Resources - Supplemental Pension	71,360	
Deferred Inflows of Resources - Supplemental Pension	<u>(1,531)</u>	30,086

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the specific governmental funds. Long-term liabilities at year-end consist of the following:

Notes Payable	3,560,000	
Lease Obligation	244,868	
Land Contract	75,000	
Accrued Interest	23,457	
Sick and Vacation Benefits	<u>742,983</u>	(4,646,308)

Total Net Position - Governmental Activities \$ 14,655,703

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	Debt Service Fund	Gift Fund	Capital Projects Fund	Nonmajor Community Service Fund	Total Governmental Funds
Revenues:						
Local Sources	\$ 7,010,773	\$ 749,753	\$ 725,914	\$ -	\$ 177,984	\$ 8,664,424
Interdistrict Sources	747,765	-	-	-	-	747,765
Intermediate Sources	66,502	-	-	-	-	66,502
State Sources	1,785,585	-	-	-	480	1,786,065
Federal Sources	502,801	-	-	-	-	502,801
Other	16,049	-	-	-	-	16,049
Total Revenues	10,129,475	749,753	725,914	-	178,464	11,783,606
Expenditures:						
Instruction:						
Undifferentiated Curriculum	1,394,557	-	-	-	-	1,394,557
Regular Instruction	2,082,527	-	12,038	-	-	2,094,565
Special Education Instruction	1,065,264	-	-	-	-	1,065,264
Vocational Instruction	451,856	-	56,446	-	-	508,302
Other Instruction	546,129	-	380,416	-	-	926,545
Support Services:						
Pupil Services	558,054	-	-	-	-	558,054
Instructional Staff Services	432,106	-	12,056	-	-	444,162
General Administration	404,444	-	17,865	-	2,865	425,174
School Building Administration	644,725	-	1,098	-	6,560	652,383
Business Administration	1,607,370	-	13,333	75,000	8,943	1,704,646
Central Services	56,498	-	-	-	-	56,498
Insurance and Judgments	134,728	-	-	-	-	134,728
Debt Service	-	759,550	-	-	-	759,550
Other Support Services	645,019	-	10,356	-	-	655,375
Nonprogram	738,569	-	89,397	-	-	827,966
Other Nonprogram	19,347	-	-	-	-	19,347
Community Service	-	-	-	-	128,514	128,514
Total Expenditures	10,781,193	759,550	593,005	75,000	146,882	12,355,630
Excess Revenues (Expenditures)	(651,718)	(9,797)	132,909	(75,000)	31,582	(572,024)
Other Financing Sources (Uses):						
Sale of Capital Assets	6,925	-	-	-	-	6,925
Issuance of Lease Obligation	244,868	-	-	-	-	244,868
Issuance of Long-Term Debt	-	-	-	75,000	-	75,000
Transfers Out	(78,286)	-	-	-	-	(78,286)
Total Other Financing Sources (Uses)	173,507	-	-	75,000	-	248,507
Net Change in Fund Balance	(478,211)	(9,797)	132,909	-	31,582	(323,517)
Fund Balance, Beginning of Year	3,606,268	57,874	665,113	-	210,135	4,539,390
Fund Balance, End of Year	\$ 3,128,057	\$ 48,077	\$ 798,022	\$ -	\$ 241,717	\$ 4,215,873

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (323,517)

The change in fund balances reported for governmental activities in the statement of activities is different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over their useful lives as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 549,663	
Depreciation Expense Reported in the Statement of Activities	<u>(800,807)</u>	(251,144)
Net adjustment for disposed capitalized assets		(5,789)

Wisconsin Retirement System Pension:

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred outflows and inflows of resources.	(226,605)
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Increase in long-term debt is a revenue source in the governmental funds but increases the debt liability in the statement of net position and does not affect the statement of activities. The amount of long-term debt incurred in the current year is:	(75,000)
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Increase in lease obligation debt is a revenue source in the governmental funds but increases the debt liability in the statement of net position and does not affect the statement of activities. The amount of capital lease debt incurred in the current year is:	(244,868)
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Repayment of principal on debt is an expenditure in the governmental funds but reduces the debt liability in the statement of net position.	655,000
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Other Postemployment Benefits:

OPEB expenditures in the governmental funds are measured by current year employee contributions. OPEB expenses on the statement of activities are measured by the change in net OPEB liability and the related deferred inflows of resources.	33,579
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Supplemental Pension Benefits:

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net Pension liability and the related deferred inflows of resources.	29,545
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SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

In the statement of activities expenses for accrued employee benefits for vacation are measured by the amounts earned during the year.

In governmental funds, however, expenditures for these items are measured by the amount paid out during the year. The change between years is recorded on the statement activities in the current year.

\$ 4,964

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized when the interest accrues, regardless of when it is due. The interest expense adjustment reported is a net result of these factors.

2,681

Change in Net Position of Governmental Activities

\$ (401,154)

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Food Services
Assets:	
Current Assets:	
Accounts Receivable	\$ 3,321
Due from Federal Government	114,349
Inventories	27,569
Prepaid Expenses	3,931
Total Current Assets	<u>149,170</u>
Capital Assets:	
Food Service Equipment in Service	404,975
Less: Accumulated Depreciation	<u>(387,865)</u>
Net Capital Assets	<u>17,110</u>
Total Assets	166,280
Deferred Outflows of Resources:	
Wisconsin Retirement System Pension Plan	74,162
Liabilities:	
Current Liabilities:	
Accounts Payable	930
Accrued Payroll and Related Liabilities	16,121
Due to Other Funds	119,025
Deposits Payable	13,095
Wisconsin Retirement System Pension Plan Liability	<u>13,829</u>
Total Liabilities	163,000
Deferred Inflows of Resources:	
Wisconsin Retirement System Pension Plan	40,464
Net Position:	
Net Investment in Capital Assets	17,110
Restricted for Wisconsin Retirement System Pension Plan Items	33,698
Unrestricted (Deficit)	<u>(13,830)</u>
Total Net Position	<u>\$ 36,978</u>

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Services</u>
Operating Revenues:	
Local and Intermediate Sources	\$ 123,496
Grants - State Sources	11,472
Grants - Federal Sources	<u>401,513</u>
Total Operating Revenues	<u>536,481</u>
Operating Expenses:	
Payroll Costs	285,409
Professional and Contract Services	13,598
Supplies and Materials	322,448
Depreciation	<u>4,894</u>
Total Operating Expenses	<u>626,349</u>
Operating Income	(89,868)
Nonoperating Revenues (Expenses)	
Transfer In	<u>78,286</u>
Change in Net Position	(11,582)
Total Net Position - Beginning	<u>48,560</u>
Total Net Position - Ending	<u><u>\$ 36,978</u></u>

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Services</u>
Cash Flows from Operating Activities:	
Cash Received from User Charges	\$ 123,306
Cash Received from State Sources	11,472
Cash Received from Federal Sources	426,971
Cash Payments to Employees for Services	(281,189)
Cash Payments to Suppliers for Goods and Services	<u>(305,651)</u>
Net Cash Provided by Operating Activities	<u>(25,091)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from General Fund for Operating	<u>18,404</u>
Net Increase in Cash and Cash Equivalents	(6,687)
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>\$ (6,687)</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Operating Income	\$ (89,868)
Adjustments to Reconcile Operating Income (loss) to Net Cash	
Provided by Operating Activities:	
Depreciation	4,894
Change in WRS Pension Plan Items	6,686
Changes in Assets and Liabilities:	
Accounts Receivables	(1,118)
Due from Other Governments	64,551
Inventories	(7,245)
Prepaid Expenses	(110)
Accounts Payable	(1,342)
Accrued Liabilities	4,220
Deposits Payable Increase	928
Net Cash Provided by Operating Activities	<u><u>\$ (18,404)</u></u>

Noncash Noncapital Financing Activities

During the year the District received \$39,093 of food commodities from the US Department of Agriculture.

See accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Presentation – The financial statements of the School District of Webster (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. Reporting Entity – The School District of Webster is organized as a common school district. The District, governed by a seven-member elected school board, operates grades early childhood through twelve and is comprised of all or parts of twelve taxing Districts.

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

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

- C. Government-Wide and Fund Financial Statements – The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on intergovernmental revenues, fees, and charges for support.

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

The District has the following major governmental funds:

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

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

Gift Fund – The Gift Fund is used to account for donations received for restricted purposes, student activity fund transactions and scholarship donations and scholarships paid.

Capital Projects Fund – The Capital Projects Fund is used to account for capital related purchases of the District not included in other major funds.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major enterprise fund:

Food Service Fund – The Food Service Fund is used to account for the operations of the food service department of the District. All charges for meals provided and intergovernmental revenues received for the food service department are maintained in this fund.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease obligations are reported as other financing sources.

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

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

Investments of the District are stated at fair value. The District's cash and cash 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 maintained in segregated accounts.

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

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

2. Receivables and Payables

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

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2024 tax levy is used to finance operations of the District's fiscal year ended June 30, 2025. All property taxes are considered due on January 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 30 and are available to pay current liabilities.

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

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

3. Inventories and Prepaid Items

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid items. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Inventory supplies are valued at the lower of cost (first-in, first-out method) or market.

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Additions	\$ 5,000	Straight-line	50 Years
Land Improvements	5,000	Straight-line	20 Years
Vehicles	5,000	Straight-line	8 Years
Equipment	5,000	Straight-line	5-20 Years
Right-to-Use Assets	5,000	Straight-line	5-20 Years

The proprietary funds follow the capitalization threshold and estimated useful lives and depreciation methods as outlined above.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

Depreciation on all exhaustible capital assets is recorded as an unallocated expense in the Statement of Activities with accumulated depreciation being reflected in the Statement of Net Position.

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

The District's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District reports deferred inflows of resources for pension and other postemployment benefit related items.

7. Statement of Cash Flows

For the purpose of cash flows, all cash and investments are considered in beginning or ending cash balances. The District considers cash equivalents to include cash and investments having an original maturity of three months or less.

8. Other Postemployment Benefits (OPEB) Single Employer Plan

Under provisions of various employee contracts, if certain requirements are met (such as minimum age and years of service with the District) upon retirement, the District provides a set contribution toward healthcare premiums. The amount to be incurred is limited as specified by contract. This amount was actuarially determined, in accordance with GASB 75.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Other Obligations

The government recognizes liabilities for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. Compensated absences are absences for which employees will be paid, such as vacation, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave. A liability for compensated absences is recognized for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect at the reporting date, and includes certain salary-related payments, such as the employer's share of social security and Medicare taxes, that are directly and incrementally associated with payments for compensated absences. For leave that has been used but not yet paid or settled, the liability is measured at the amount of the cash payment or noncash settlement to be made. Certain types of leave, such as parental leave, military leave, and jury duty leave, are not recognized as liabilities until the leave commences. Unlimited leave and holidays taken on a specific date are not recognized as liabilities until the leave is used. The government-wide, proprietary fund, and fiduciary fund financial statements recognize compensated absences expenses when the liability is incurred. Governmental funds recognize expenditures for compensated absences to the extent they are liquidated with expendable available financial resources.

The District's policy allows teachers and support staff to accumulate up to 75 days of sick leave at the end of any fiscal year. The total cost of benefits shown as long-term obligations in Note 6 are calculated using the current daily compensation rate multiplied by total accumulated days, and includes accumulated vacation of zero and \$12,183 as well as accumulated sick days of \$742,983 as of June 30, 2025.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Wisconsin Retirement System (WRS) Pension Plan Benefits

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

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

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

11. Supplemental Pension Benefits

Under provisions of various employee contracts, if certain requirements (such as minimum age and years of service with the District) are met, upon retirement the District provides a set contribution toward HRA or non-elective 403(b) plans. The amount to be incurred is limited by contract. This amount was actuarially determined, in accordance with GASB 73.

12. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund. In the government-wide financial statements, debt issuance costs are expended during the year incurred.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Lease Obligations

The District follows GASB Statement No. 87 which requires recognition of certain lease assets and liabilities for leases and recognizes inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There were no lease obligations that were required to be recorded for year ended June 30, 2025.

14. Subscription-Based Information Technology Agreements

The District follows GASB Statement No. 96, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the District to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended June 30, 2025.

15. Use of Restricted Resources

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

16. Defining Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service fund are charges to customers and state and federal aid. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

17. Equity Classifications

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

Government-Wide and Proprietary Fund Statements. Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, granters or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period.

Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. The District has not established a policy for minimum unassigned general fund balance. Committed fund balance is required to be established, modified, or rescinded by resolution of the Board of Education prior to each year end. The Board of Education has retained the authority to establish or modify assigned fund balance.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

16. Budgetary Accounting – Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction.

The legally adopted budget and budgetary expenditure control is exercised at the function level for all funds. Reported budget amounts are as originally adopted or as amended by school board resolution:

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

Based upon requests from District staff, District administration recommends budget proposals to the school board.

The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.

A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.

Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.

Once the School Board (following the public hearing) adopts the budget, no changes may be made to the amount of the various appropriations or 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. The portion of fund balance representing carryover appropriations is reported as a committed fund balance.

The budget data reported in the report is as amended by the school board during the fiscal year. The School Board may amend the budget by a majority vote.

18. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS

The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. All other funds share common bank and investment accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11.

At June 30, 2025, the District's cash and investments were presented in the financial statements accordingly:

Governmental Funds	<u>\$ 1,355,905</u>
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Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District has a custodial credit risk policy to minimize custodial risk; it maintains a list of public depositories, financial institutions, and broker/dealers authorized to provide deposit and investment services who must supply, as appropriate, audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has not been considered in determining custodial credit risk.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

The District's deposits were insured and collateralized at June 30, 2025 as follows:

	Demand Deposit Accounts	Time and Savings Accounts
FDIC Insurance	\$ 370,517	\$ 1,054,191
Agent Collateralized	-	19,269
Total	<u>\$ 370,517</u>	<u>\$ 1,073,460</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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy.

Investments

At June 30, 2025, the District's investments consisted of the following:

Description	Totals	Investment Maturities (in Years)		
		< 1	1 to 3	> 3
Franklin Income FDS SER CL C	\$ 58,767	\$ 58,767	\$ -	\$ -
Franklin Custodian FDS Franklin Income FD CL A	58,023	58,023	-	-
International/US Equity	72,508	72,508		
US Govt. Fixed Income	19,393	19,393		
Real Estate	6,272	6,272	-	-
Total	<u>\$ 214,963</u>	<u>\$ 214,963</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

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

Financial assets and liabilities recorded on the combined statement of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

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

Assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Franklin Income FDS SER CL C	\$ 58,767	\$ -	\$ -	\$ 58,767
Franklin Income FDS SER CL C (Unrealized Gain/Loss)	58,023	-	-	58,023
International/US Equity	72,508	-	-	72,508
US Govt. Fixed Income	19,393	-	-	19,393
Real Estate	6,272	-	-	6,272
Total	<u>\$ 214,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,963</u>

NOTE 3 – DUE FROM/DUE TO OTHER FUNDS

At June 30, 2025 the District had following interfund receivable and payable:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Food Service Fund	General Fund	<u>\$ 119,025</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 4 – FUND BALANCES

On June 30, 2025, no individual funds had fund balance deficits.

The Debt Service Fund balance of \$48,077 is restricted for debt retirement and is not available for current appropriation or expenditure. The Gift Fund balance of \$797,831 is restricted for donor advised items and scholarship activities and is not available for current appropriation or expenditure.

In addition, \$241,521 of fund balance is assigned to the District's plans for accumulating funds for Community Service and special projects use in subsequent periods.

NOTE 5 – CAPITAL ASSETS

A summary of the changes in capital assets follows:

Governmental Activities:

	June 30, 2024 Balance	Additions	Disposals	June 30, 2025 Balance
Capital Assets Being Depreciated:				
Land and Land Improvements	\$ 1,613,406	\$ 220,591	\$ (22,045)	\$ 1,811,952
Buildings and Improvements	19,722,461	20,274	-	19,742,735
Vehicles	1,702,843	-	(237,458)	1,465,385
Right-to-Use Assets	-	244,868	-	244,868
Machinery and Equipment	2,396,373	63,930	(36,189)	2,424,114
Total Capital Assets Being Depreciated	<u>25,435,083</u>	<u>549,663</u>	<u>(295,692)</u>	<u>25,689,054</u>
Total Capital Assets	25,435,083	549,663	(295,692)	25,689,054
Accumulated Depreciation:				
Land and Land Improvements	(612,649)	(85,457)	21,287	(676,819)
Buildings and Improvements	(6,967,292)	(449,173)	1,400	(7,415,065)
Vehicles	(1,201,508)	(108,797)	237,458	(1,072,847)
Right-to-Use Assets	-	(48,974)	-	(48,974)
Machinery and Equipment	(1,398,289)	(108,406)	29,758	(1,476,937)
Total	<u>(10,179,738)</u>	<u>(800,807)</u>	<u>289,903</u>	<u>(10,690,642)</u>
Net Governmental Activities	<u>\$ 15,255,345</u>	<u>\$ (251,144)</u>	<u>\$ (5,789)</u>	<u>\$ 14,998,412</u>

Business-Type Activities:

	June 30, 2024 Balance	Additions	Disposals	June 30, 2025 Balance
Food Services Equipment	\$ 404,975	\$ -	\$ -	\$ 404,975
Accumulated Depreciation	(382,971)	(4,894)	-	(387,865)
Net Business-Type Activities	<u>\$ 22,004</u>	<u>\$ (4,894)</u>	<u>\$ -</u>	<u>\$ 17,110</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation was charged to governmental activities as follows:

Instruction	\$ 92,224
Pupil Services	13,355
Instructional Staff Services	54,062
General Administration	10,205
School Building Administration	405,835
Business Administration	154,402
Other Support Services	70,724
	<u>\$ 800,807</u>

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligations of the District are as follows:

Type	June 30, 2024 Balance	Additions	Reductions and Adjustments	June 30, 2025 Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Promissory Note	\$ 4,215,000	\$ -	\$ (655,000)	\$ 3,560,000	\$ 675,000
Other Long-Term Obligations:					
Lease Obligations	-	244,868	-	244,868	52,710
Land Contract	-	75,000	-	75,000	25,000
WRS Pension Plan Liability	407,453	21,416	-	428,869	-
Sick and Vacation	747,947	252,642	(257,606)	742,983	12,183
Other Postemployment Benefit	325,827	31,527	(36,046)	321,308	-
Supplemental Pension Benefit	77,545	10,008	(47,810)	39,743	-
Total Other Long-Term Obligations	<u>1,558,772</u>	<u>635,461</u>	<u>(341,462)</u>	<u>1,852,771</u>	<u>89,893</u>
Total Governmental Activities	<u>\$ 5,773,772</u>	<u>\$ 635,461</u>	<u>\$ (996,462)</u>	<u>\$ 5,412,771</u>	<u>\$ 764,893</u>
Business-Type Activities:					
WRS Pension Plan Liability	12,838	991	-	13,829	-
Total Long-Term Obligations	<u>\$ 5,786,610</u>	<u>\$ 636,452</u>	<u>\$ (996,462)</u>	<u>\$ 5,426,600</u>	<u>\$ 764,893</u>

All debt issues are direct borrowing or direct payment.

See Note 8 for a discussion of Other Postemployment Benefits.

See Note 9 for a discussion of Supplemental Pension Benefits.

Interest payments on long-term debt issues during the year were as follows:

Promissory Notes	<u>\$ 104,550</u>
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SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

The long-term general obligation debt and related interest requirements of the District at June 30, 2025 consisted of the following issue:

Description	Year Ending June 30,	Principal	Interest	Total
General Obligation Promissory Notes,	2026	\$ 675,000	\$ 84,900	\$ 759,900
Notes, \$6,500,000, dated 6/8/2020,	2027	695,000	64,650	759,650
due 10/1/2030, interest at 2.00 to	2028	715,000	43,800	758,800
3.00%	2029	730,000	29,500	759,500
	2030	745,000	14,900	759,900
Total General Obligation Debt		<u>\$ 3,560,000</u>	<u>\$ 237,750</u>	<u>\$ 3,797,750</u>

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,535,103,979. The legal debt limit and margin of indebtedness as of June 30, 2025 in accordance with Section 67.03 (1) (b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$2,535,103,979)	\$ 253,510,398
Deduct Long-Term Debt Applicable to Debt Margin	(3,560,000)
Deduct Accrued Interest on Long-Term Debt	(23,457)
Add Debt Service Restricted Fund Balance	48,077
Margin of Indebtedness	<u>\$ 249,975,018</u>

Land Contract

The District entered into a land contract for the purchase of land on February 25, 2025. The land contract does not have an interest rate and is due on March 28, 2028. The annual repayment requirements are as follows:

Description	Year Ending June 30,	Principal	Interest	Total
Land Contract	2026	\$ 25,000	\$ -	\$ 25,000
\$75,000, Interest at 0.00%	2027	25,000	-	25,000
Dated 2/25/2025, Due 3/28/2028	2028	25,000	-	25,000
Total Lease Obligation		<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

Lease Obligations

The district entered into lease agreements as a lessee for technology equipment. As of June 30, 2025, the district reported right-to-use assets of \$244,868 related to technology equipment. The District's lease agreements have terms for three years, with an interest rate of 5.58%. Future minimum lease payments under noncancelable leases as of June 30, 2025, are as follows:

Description	Year Ending June 30,	Principal	Interest	Total
Technology Equipment Lease	2026	\$ 52,710	\$ 2,232	\$ 54,942
\$244,868, Interest at 5.58%	2027	44,191	10,751	54,942
Dated 5/1/2025, Due 7/1/2029	2028	46,663	8,278	54,941
	2029	49,274	5,668	54,942
	2030	52,030	2,911	54,941
Total Lease Obligation		<u>\$ 244,868</u>	<u>\$ 29,840</u>	<u>\$ 274,708</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS

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](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.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (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:

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

Contributions

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

During the reporting period (2024), the WRS recognized \$324,265 in contributions from the employer.

Contribution rates as of June 30, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.90%	6.90%

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

At June 30, 2025, the School District of Webster reported a liability of \$442,698 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the Total Pension Liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.02694182%, which was a decrease of 0.00132629% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$595,550.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

At June 30, 2025, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,374,821	\$ 1,291,901
Changes in Assumptions	131,357	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	672,704	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,241	3,436
Employer Contributions Subsequent to the Measurement Date	190,984	-
Total	<u>\$ 2,374,107</u>	<u>\$ 1,295,337</u>

The \$190,984 reported as Deferred Outflows 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 ending June 30, 2026. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	<u>Net Deferred Outflows and (Inflows) of Resources</u>
2026	\$ 267,649
2027	917,534
2028	(227,078)
2029	(70,319)
	<u>\$ 887,786</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

Actuarial Assumptions

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

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 table on the following page:

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

Asset Allocation Targets and Expected Returns¹

As of December 31, 2024:

<u>Core Fund Asset Class</u>	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0%	6.1%	3.4%
Private Equity/Debt	20.0%	9.5%	6.7%
Inflation Sensitive Assets	19.0%	4.8%	2.1%
Real Estate	8.0%	6.5%	3.8%
Leverage ³	-12%	3.7%	1.1%
Total Core Fund	<u>100.0%</u>	7.5%	4.8%
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	6.5%	3.8%
International Equities	30.0%	7.4%	4.7%
Total Variable Fund	<u>100.0%</u>	6.9%	4.2%

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 up to 20%.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the Net Pension Liability 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 Net Pension Liability (Asset)	\$ 4,153,091	\$ 442,698	\$ (2,193,429)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2025, the District reported a payable to the pension plan of \$40,752, which represents contractually required contributions outstanding as of the end of the fiscal year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The District administers a single employer defined benefit health care benefit plan. The plan provides postemployment medical coverage to eligible retired employees and their eligible dependents or survivors pursuant through the District's group medical plan, which covers both active and retired members. The authority to establish and amend benefit provisions is with the Board of Education. The plan does not issue a publicly available financial report. The District does not accumulate any assets in a trust to fund the plan. Eligibility for plan benefits are as follows:

	Eligibility	
	Age	Service
Administrators	55	20 Years
Teachers	55	20 Years

Employees covered by benefit terms consisted of the following eligible employees and retirees as of June 30, 2025:

Retirees Receiving Benefits	7
Active Plan Eligible Members	98
Total	<u>105</u>

Total OPEB Liability

The District's total OPEB liability of \$321,308 was measured as of June 30, 2025.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2025
Reporting Date:	June 30, 2025
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Health Care Trend:	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount Rate*	4.81% (based upon all years of projected payments discounted at a municipal bond rate of 4.81%)
Municipal Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

* Implicit in this rate is an assumed rate of inflation of 2.50%

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2024	\$ 325,827
Changes for the year:	
Service Cost	17,896
Interest	13,631
Differences Between Expected and Actual Experience	(4,010)
Changes of Assumptions or Other Input	(10,036)
Benefit Payments	(22,000)
Net Changes	(4,519)
Balances at June 30, 2025	<u>\$ 321,308</u>

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

For the year ended June 30, 2025, the District recognized a reduction in OPEB expense of \$11,579. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 24,922	\$ 167,776
Changes of Assumptions or Other Input	12,228	106,629
Total	<u>\$ 37,150</u>	<u>\$ 274,405</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30:</u>	<u>Net Deferred Outflows and (Inflows) of Resources</u>
2026	\$ (43,106)
2027	(43,106)
2028	(43,106)
2029	(43,110)
2030	(20,609)
Thereafter	(44,218)
	<u>\$ (237,255)</u>

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

	<u>1% Decrease to Rate (3.81%)</u>	<u>Current Rate (4.81%)</u>	<u>1% Increase to Rate (5.81%)</u>
Total OPEB Liability	<u>\$ 338,172</u>	<u>\$ 321,308</u>	<u>\$ 305,104</u>

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

	<u>1% Decrease to Rate (6.00% to 3.50%)</u>	<u>Current Rate (7.00% to 4.50%)</u>	<u>1% Increase to Rate (8.00% to 5.50%)</u>
Total OPEB Liability	<u>\$ 317,840</u>	<u>\$ 321,308</u>	<u>\$ 325,428</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 9 – SUPPLEMENTAL PENSION BENEFITS

Plan Description

The District administers a single employer defined benefit pension plan. The plan provides post-employment stipend payments to eligible retired administrators, where the District will provide non-elective 403(b) plan contributions based on the plan details. For eligible retired teachers, the District may provide HRA or 403(b) contributions based on the plan details. The authority to establish and amend benefit provisions is with the Board of Education. The plan does not issue a publicly available financial report. The District does not accumulate any assets in a trust to fund the plan. Eligibility for plan benefits are as follows:

	Eligibility	
	Age	Service
Administrators	55	7 Years
Teachers	55	20 Years

Employees covered by benefit terms consisted of the following eligible employees and retirees as of June 30, 2025:

Retirees Receiving Benefits	4
Active Plan Eligible Members	8
Total	<u>12</u>

Total Pension Liability

The District's total pension liability of \$39,743 was measured as of June 30, 2025.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 9 – SUPPLEMENTAL PENSION BENEFITS (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2025
Reporting Date:	June 30, 2025
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Discount Rate*	4.81% (based upon all years of projected payments discounted at a municipal bond rate of 4.81%)
Municipal Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

* Implicit in this rate is an assumed rate of inflation of 2.50%

Changes in the Total Pension Liability

	Total Pension Liability
Balances at June 30, 2024	\$ 77,545
Changes for the year:	
Service Cost	1,318
Interest	2,304
Differences Between Expected and Actual Experience	6,386
Changes of Assumptions or Other Input	(869)
Benefit Payments	(46,941)
Net Changes	(37,802)
Balances at June 30, 2025	<u>\$ 39,743</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 9 – SUPPLEMENTAL PENSION BENEFITS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to the Supplemental Pension

For the year ended June 30, 2025, the District recognized pension expense of \$17,396. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to the Supplemental Pension Benefits as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 71,039	\$ -
Changes of Assumptions or Other Input	321	1,531
Total	<u>\$ 71,360</u>	<u>\$ 1,531</u>

Amounts reported as deferred outflows and deferred inflows of resources related to supplemental pension will be recognized in supplemental pension expense as follows:

Year Ending June 30:	Net Deferred Outflows and (Inflows) of Resources
2026	\$ 13,774
2027	13,774
2028	13,774
2029	13,778
2030	13,940
Thereafter	789
	<u>\$ 69,829</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

	1% Decrease to Rate (3.81%)	Current Rate (4.81%)	1% Increase to Rate (5.81%)
Total Pension Liability	<u>\$ 41,176</u>	<u>\$ 39,743</u>	<u>\$ 38,375</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 10 – RISK MANAGEMENT

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

NOTE 11 – LIMITATION ON SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. 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 1993.

A referendum on or after August 12, 1993.

NOTE 12 – OTHER COMMITMENTS AND CONTINGENCIES

The District has received significant assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, there are no disallowed claims as of June 30, 2025.

NOTE 13 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Property Taxes	\$ 6,883,625	\$ 6,913,369	\$ 6,901,869	\$ (11,500)
Other Local Sources	138,841	119,020	108,904	(10,116)
Interdistrict Sources	768,000	769,322	747,765	(21,557)
Intermediate Sources	4,384	6,434	4,934	(1,500)
State Sources	1,450,048	1,476,836	1,450,596	(26,240)
Federal Sources	306,146	312,312	305,259	(7,053)
Other Sources	60,074	85,739	16,049	(69,690)
Total Revenues	9,611,118	9,683,032	9,535,376	(147,656)
Expenditures:				
Instruction:				
Undifferentiated Curriculum	1,409,103	1,397,031	1,394,557	2,474
Regular Instruction	2,082,700	2,083,934	2,082,527	1,407
Vocational Instruction	452,934	451,915	451,856	59
Other Instruction	552,010	546,501	546,129	372
Support Services:				
Pupil Services	341,189	348,390	348,329	61
Instructional Staff Services	269,055	286,297	286,099	198
General Administration	402,675	401,109	401,444	(335)
School Building Administration	635,555	644,817	644,725	92
Business Administration	1,528,074	1,627,556	1,601,186	26,370
Central Services	49,790	52,983	56,498	(3,515)
Insurance and Judgments	131,761	134,735	134,728	7
Debt Service	24,750	17,975	-	17,975
Other Support Services	357,468	381,257	644,080	(262,823)
Nonprogram	599,247	633,985	633,979	6
Other Nonprogram	8,060	20,143	19,277	866
Total Expenditures	8,844,371	9,028,628	9,245,414	(216,786)
Excess Revenues (Expenditures)	766,747	654,404	289,962	(364,442)
Other Financing Sources (Uses):				
Sale of Capital Assets	4,000	6,925	6,925	-
Issuance of Lease Obligation	-	-	244,868	244,868
Transfers In (Out)	(920,747)	(1,022,005)	(1,019,966)	2,039
Total Other Financing Sources (Uses)	(916,747)	(1,015,080)	(768,173)	246,907
Net Change in Fund Balance	(150,000)	(360,676)	(478,211)	(117,535)
Fund Balance, Beginning of Year	3,606,268	3,606,268	3,606,268	-
Fund Balance, End of Year	<u>\$ 3,456,268</u>	<u>\$ 3,245,592</u>	<u>\$ 3,128,057</u>	<u>\$ (117,535)</u>

See accompanying Notes to the Required Supplementary Information.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Schedule is Presented Prospectively from Implementation)

	Fiscal Year Ending									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Total OPEB Liability										
Service Cost	\$ 17,896	\$ 17,733	\$ 19,056	\$ 26,055	\$ 33,450	\$ 26,870	\$ 70,796	\$ 73,652	\$ 73,652	
Interest	13,631	12,738	10,952	9,915	13,085	19,168	43,248	37,624	34,718	
Changes of Benefit Terms	-	-	-	(68,250)	-	-	(416,682)	-	-	
Differences Between Expected and Actual Experience	(4,010)	29,454	(16,855)	(57,599)	(96,327)	-	(166,347)	-	-	
Changes of Assumptions or Other Input	(10,036)	(13,955)	(11,668)	(23,380)	(58,169)	26,898	(81,091)	-	-	
Benefit Payments	(22,000)	(22,000)	(6,000)	(16,000)	(42,473)	(42,182)	(24,997)	(29,055)	(44,901)	
Changes	-	-	-	-	-	-	-	7,133	-	
Net Change in Total OPEB Liability	(4,519)	23,970	(4,515)	(129,259)	(150,434)	30,754	(575,073)	89,354	63,469	
Total OPEB Liability - Beginning	325,827	301,857	306,372	435,631	586,065	555,311	1,130,384	1,041,030	977,561	
Total OPEB Liability - Ending	<u>\$ 321,308</u>	<u>\$ 325,827</u>	<u>\$ 301,857</u>	<u>\$ 306,372</u>	<u>\$ 435,631</u>	<u>\$ 586,065</u>	<u>\$ 555,311</u>	<u>\$ 1,130,384</u>	<u>\$ 1,041,030</u>	
 Covered Payroll	 \$ 4,834,051	 \$ 4,834,051	 \$ 3,361,158	 \$ 3,361,158	 \$ 4,505,291	 \$ 4,212,497	 \$ 4,212,497	 \$ 3,201,403	 \$ 3,201,403	
District's Total OPEB Liability as a Percentage of Covered Payroll	6.65%	6.74%	8.98%	9.12%	9.67%	13.91%	13.18%	35.31%	32.52%	

See accompanying Notes to the Required Supplementary Information.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION PLAN LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years
(Schedule is Presented Prospectively from Implementation)

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Asset/Liability	The District's Proportionate Share of the Net Pension (Asset)/Liability	The District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2024	0.02694182%	\$ 442,698	\$ 5,279,438	8.39%	98.79%
12/31/2023	0.02826811%	420,291	5,306,212	7.92%	98.85%
12/31/2022	0.02864188%	1,517,361	5,271,698	28.78%	95.72%
12/31/2021	0.02855213%	(2,301,354)	4,931,108	46.67%	106.02%
12/31/2020	0.02891994%	(1,805,511)	4,720,244	38.25%	105.26%
12/31/2019	0.02970526%	(957,833)	4,629,393	20.69%	102.96%
12/31/2018	0.03019652%	1,074,297	4,129,024	26.02%	96.45%
12/31/2017	0.03035773%	(901,357)	4,244,349	21.24%	102.93%
12/31/2016	0.03000778%	247,336	4,389,204	5.64%	99.12%
12/31/2015	0.02988906%	485,691	4,534,218	10.71%	98.20%

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*
(Schedule is Presented Prospectively from Implementation)

District Year End Date	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	The District's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
6/30/2025	\$ 324,265	\$ 324,265	\$ -	\$ 4,926,940	6.58%
6/30/2024	343,331	343,331	-	4,985,474	6.89%
6/30/2023	323,849	323,849	-	4,766,318	6.79%
6/30/2022	343,328	343,328	-	5,271,698	6.51%
6/30/2021	331,911	331,911	-	4,931,108	6.73%
6/30/2020	298,726	298,726	-	4,337,654	6.89%
6/30/2019	318,668	318,668	-	4,577,317	6.96%
6/30/2018	305,262	305,262	-	4,499,476	6.78%
6/30/2017	308,982	308,982	-	4,534,218	6.81%
6/30/2016	289,828	289,828	-	4,389,204	6.60%

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Schedule is Presented Prospectively from Implementation)

Total Pension Liability	Fiscal Year Ending		
	2025	2024	2023
Service Cost	\$ 1,318	\$ 2,196	\$ 2,281
Interest	2,304	1,220	3,234
Differences Between Expected and Actual Experience	6,386	91,603	233
Changes of Assumptions or Other Input	(869)	449	(1,377)
Benefit Payments	(46,941)	(91,059)	(45,000)
Net Change in Total Pension Liability	(37,802)	4,409	(40,629)
Total Pension Liability - Beginning	77,545	73,136	113,765
Total Pension Liability - Ending	<u>\$ 39,743</u>	<u>\$ 77,545</u>	<u>\$ 73,136</u>
Covered Payroll	\$ 3,878,812	\$ 3,878,812	\$ 3,493,658
District's Total Pension Liability as a Percentage of Covered Payroll	1.02%	2.00%	2.09%

See accompanying Notes to the Required Supplementary Information.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 1 – BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the General Fund, Debt Service Fund and for each major special revenue fund. Budgetary information for the General Fund is derived from the District's annual operating budget. The District did not have a Debt Service Fund or a major special revenue fund.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The District's legally adopted budget and budgetary expenditure control is exercised at the function level in the General Fund and the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

Budget amounts in the financial statements include both the originally adopted and final amended budget.

NOTE 2 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

On June 30, 2025, the following line items had an excess of actual expenditures over the final budget of the General Fund. These overages were determined necessary and authorized by management.

Support Services:		
General Administration	\$	335
Central Services		3,515
Other Support Services		262,823

These excesses expended existing fund balance and did not cause a deficit.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 3 – BUDGET TO ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>General Fund</u>
Sources/Inflows of Resources	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Sources" from the Schedule of Revenues, Expenditures, and Changes in Fund Balance	\$ 9,787,169
Differences - Budget to GAAP	
The Special Education Fund was budgeted separately but does not meet the definition of a Special Revenue Fund and was combined with the General Fund	<u>594,099</u>
Total Revenues and Other financing Sources as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds	<u>\$ 10,381,268</u>
Uses/Outflows of Resources	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Uses" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 10,265,380
Differences - Budget to GAAP	
The Special Education Fund was budgeted separately but does not meet the definition of a Special Revenue Fund and was combined with the General Fund	1,535,779
The transfer to the Special Education Fund is eliminated because it is considered to be part of the General Fund	<u>(941,680)</u>
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds	<u>\$ 10,859,479</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 4 – CHANGE IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO OPEB LIABILITIES

Changes in benefit terms: None.

Changes of assumptions: The discount rate changed from 4.21% to 4.81%.

NOTE 5 – CHANGE IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO SUPPLEMENTAL PENSION LIABILITIES

Changes in benefit terms: None.

Changes of assumptions: The discount rate changed from 4.21% to 4.81%.

NOTE 6 – CHANGE IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO PENSION LIABILITIES (ASSETS)

Changes in 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 7.00% to 6.80%
- Lowering the discount rate from 7.00% to 6.80%
- Lowering the price inflation rate from 2.50% to 2.40%
- Lowering the post-retirement adjustments from 1.90% to 1.70%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 7 – SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
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%
	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.
Retirement Age:	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%).
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.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 7 – SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS (Continued)

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.0%	3.0%
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%
	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.
Retirement Age:	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	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	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	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all future improvements (margin) in mortality.
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.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
COMBINING SCHEDULE OF INTERNAL GENERAL AND SPECIAL EDUCATION FUNDS
BALANCE SHEET
JUNE 30, 2025

	<u>General</u>	<u>Special Education</u>	<u>Total General Fund</u>
Assets:			
Cash and Investments	\$ 316,606	\$ (70,503)	\$ 246,103
Taxes Receivable	2,659,398	-	2,659,398
Accounts Receivable	8,648	374	9,022
Due from State Government	50,508	-	50,508
Due from Federal Government	184,439	172,756	357,195
Due from Other Governments	45,672	-	45,672
Due from Other Funds	119,025	-	119,025
Prepaid Items	403,935	965	404,900
Total Assets	<u>\$ 3,788,231</u>	<u>\$ 103,592</u>	<u>\$ 3,891,823</u>
Liabilities:			
Accounts Payable	\$ 33,496	\$ 27	\$ 33,523
Due to Other Governments	61	-	61
Accrued Payroll and Related Liabilities	626,617	103,565	730,182
Total Liabilities	<u>660,174</u>	<u>103,592</u>	<u>763,766</u>
Fund Balance:			
Nonspendable	403,935	965	404,900
Unassigned	2,724,122	(965)	2,723,157
Total Fund Balance	<u>3,128,057</u>	<u>-</u>	<u>3,128,057</u>
Total Liabilities and Fund Balance	<u>\$ 3,788,231</u>	<u>\$ 103,592</u>	<u>\$ 3,891,823</u>

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
COMBINING SCHEDULE OF INTERNAL GENERAL AND SPECIAL EDUCATION FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Education	Total General Fund
Revenues:			
Local Sources	\$ 7,010,773	\$ -	\$ 7,010,773
Interdistrict Sources	747,765	-	747,765
Intermediate Sources	4,934	61,568	66,502
State Sources	1,450,596	334,989	1,785,585
Federal Sources	305,259	197,542	502,801
Other	16,049	-	16,049
Total Revenues	9,535,376	594,099	10,129,475
Expenditures:			
Instruction:			
Undifferentiated Curriculum	1,394,557	-	1,394,557
Regular Instruction	2,082,527	-	2,082,527
Special Education Instruction	-	1,065,264	1,065,264
Vocational Instruction	451,856	-	451,856
Other Instruction	546,129	-	546,129
Support Services:			
Pupil Services	348,329	209,725	558,054
Instructional Staff Services	286,099	146,007	432,106
General Administration	401,444	3,000	404,444
School Building Administration	644,725	-	644,725
Business Administration	1,601,186	6,184	1,607,370
Central Services	56,498	-	56,498
Insurance and Judgments	134,728	-	134,728
Other Support Services	644,080	939	645,019
Nonprogram	633,979	104,590	738,569
Other Nonprogram	19,277	70	19,347
Total Expenditures	9,245,414	1,535,779	10,781,193
Excess Revenues (Expenditures)	289,962	(941,680)	(651,718)
Other Financing Sources (Uses):			
Sale of Capital Assets	6,925	-	6,925
Issuance of Lease Obligation	244,868	-	244,868
Transfers In (Out)	(1,019,966)	941,680	(78,286)
Total Other Financing Sources (Uses)	(768,173)	941,680	173,507
Net Change in Fund Balance	(478,211)	-	(478,211)
Fund Balance, Beginning of Year	3,606,268	-	3,606,268
Fund Balance, End of Year	\$ 3,128,057	\$ -	\$ 3,128,057

**FEDERAL AND STATE FINANCIAL ASSISTANCE REPORTS
AND SINGLE AUDIT REPORTS**



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

Board of Education
School District of Webster
Webster, Wisconsin

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

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District of Webster'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 School District of Webster's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District of Webster'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 School District of Webster'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, we identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, and 2025-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

School District of Webster's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of Webster'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 School District of Webster's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Two Rivers Accounting, LLC

Two Rivers Accounting, LLC

Rice Lake, Wisconsin

December 15, 2025



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE, WISCONSIN STATE SINGLE AUDIT GUIDELINES, AND THE WISCONSIN PUBLIC SCHOOL DISTRICT AUDIT MANUAL*

Board of Education
School District of Webster
Webster, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinions on Each Major Federal and State Program

We have audited the School District of Webster's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement, Wisconsin State Single Audit Guidelines*, and the *Wisconsin Public School Audit Manual*, that could have a direct and material effect on each of the School District of Webster's major federal and state programs for the year ended June 30, 2025. The School District of Webster's major federal and 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 School District of Webster complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*), and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance, *Wisconsin State Single Audit Guidelines*, 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 School District of Webster and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District of Webster'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 School District of Webster's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District of Webster'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*, Uniform Guidance, *Wisconsin State Single Audit Guidelines*, 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 judgment made by a reasonable user of the report on compliance about the School District of Webster's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, *Wisconsin State Single Audit Guidelines*, 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 School District of Webster'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 School District of Webster's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, *Wisconsin State Single Audit Guidelines*, and the *Wisconsin Public School District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the School District of Webster's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Two Rivers Accounting, LLC

Two Rivers Accounting, LLC

Rice Lake, Wisconsin
December 15, 2025

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Administering Agency Pass-Through Agency Award Description	Federal ALN	Pass-Through Entity	Pass-Through Number	Accrued Receivable (Deferred Revenue) July 1, 2024	Expenditures	Reimbursements	Accrued Receivable (Deferred Revenue) June 30, 2025
<u>U.S. Department of Agriculture</u>							
Child Nutrition Cluster:							
School Breakfast Program	10.553	WI DPI	2025-076293-DPI-SB-SEVERE-546	\$ 24,071	\$ 106,290	\$ 127,114	\$ 3,247
School Breakfast Program - COVID 19	10.553	WI DPI	2023-076293-DPI-SB-SEVERE-546	24,482	-	-	24,482
Total School Breakfast Program (CFDA # 10.553)				48,553	106,290	127,114	27,729
National School Lunch Program:							
Food Distribution	10.555	WI DPI	2025-076293-DPI-NSL-547	-	39,093	39,093	-
Food Service Aid - Lunch	10.555	WI DPI	2025-076293-DPI-NSL-547	51,003	216,924	263,338	4,589
Food Service Aid - Lunch - COVID 19	10.555	WI DPI	2023-076293-DPI-NSL-547	57,145	-	-	57,145
Total National School Lunch Program (ALN # 10.555)				108,148	256,017	302,431	61,734
Summer Food Service Program for Children	10.559	WI DPI	2025-076293-DPI-SFSP-586	14,420	17,625	16,979	15,066
Summer Food Service Program for Children - COVID 19	10.559	WI DPI	2023-076293-DPI-SFSP-586	7,780	-	-	7,780
Total Summer Food Service Program for Children (CFDA # 10.559)				22,200	17,625	16,979	22,846
Fresh Fruits and Vegetables - July Program	10.582	WI DPI	2025-076293-DPI-FFVP-July-594	-	3,561	3,561	-
Fresh Fruits and Vegetables - October Program	10.582	WI DPI	2025-076293-DPI-FFVPOCTPUB-376	-	16,020	13,978	2,042
Total Fruits and Vegetables (CFDA # 10.582)				-	19,581	17,539	2,042
Total Child Nutrition Cluster				178,901	399,513	464,063	114,351
Total U.S. Department of Agriculture				178,901	399,513	464,063	114,351
<u>U.S. Department of Education</u>							
ESEA Title I-A Basic Grant	84.010	WI DPI	2025-076293-DPI-TI-A-141	202,352	183,485	258,486	127,351
Carl Perkins	84.048	CESA # 11		-	4,934	4,934	-
Special Education Cluster:							
IDEA - Flow Through	84.027	WI DPI	2025-076293-DPI-FLOW-341	100,850	167,303	100,849	167,304
IDEA - Preschool	84.173	WI DPI	2024-076293-DPI-PRESCH-347	7,118	5,453	7,118	5,453
Total Special Education Cluster				107,968	172,756	107,967	172,757

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

<u>Administering Agency Pass-Through Agency Award Description</u>	<u>Federal ALN</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Number</u>	<u>Accrued Receivable (Deferred Revenue) July 1, 2024</u>	<u>Expenditures</u>	<u>Reimbursements</u>	<u>Accrued Receivable (Deferred Revenue) June 30, 2025</u>
<u>U.S. Department of Education (Continued)</u>							
Rural Education Achievement	84.358		S358A244168	\$ 28,483	\$ 34,107	\$ 28,484	\$ 34,106
ESEA Title II-A Teacher and Principal Training	84.367	WI DPI	2025-076293-DPI-TIIA-365	24,746	23,741	38,321	10,166
ESEA Title IV-A Student Support and Academic Enrichment Program	84.424	WI DPI	2025-076293-DPI-TIVA-381	12,868	12,813	12,868	12,813
Elementary and Secondary School Emergency Relief - ESSER III General	84.425U	WI DPI	2022-076293-DPI-ESSERRIII-165	52,541	4,032	56,573	-
Elementary and Secondary School Emergency Relief - ESSER III SPED	84.425U	WI DPI	2022-076293-DPI-ESSERRIII-165	2,395	-	2,395	-
Total U.S. Department of Education				<u>431,353</u>	<u>435,868</u>	<u>510,028</u>	<u>357,193</u>
<u>U.S. Department of Health and Human Services</u>							
Medicaid Cluster Program:							
Medical Assistance Program (School Based Services)	93.778	WI DHS	Provider #44230100	2,566	71,867	74,433	-
Total Federal Awards				<u>\$ 612,820</u>	<u>\$ 907,248</u>	<u>\$ 1,048,524</u>	<u>\$ 471,544</u>
Reconciliations to the Basic Financial Statements:							
Governmental Funds:							
Federal Sources					\$ 502,801		
Intermediate Sources					4,934		
Business-Type Funds:							
Federal Sources					399,513		
Total Expenditures of Federal Awards					<u>\$ 907,248</u>		

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2025

<u>Awarding Agency/Pass-Through Agency/Award Description</u>	<u>State I.D. Number</u>	<u>State Grant Number</u>	<u>Accrued Receivable (Deferred Revenue) July 1, 2024</u>	<u>Expenditures</u>	<u>Reimbursements</u>	<u>Accrued Receivable (Deferred Revenue) June 30, 2025</u>
<u>Wisconsin Department of Public Instruction</u>						
<u>Major State Programs</u>						
Student Achievement Guarantee in Education	255.504	076293-160	\$ -	\$ 282,488	\$ 282,488	\$ -
Per Pupil Aid	255.945	076293-113	-	448,910	448,910	-
High Cost Transportation Aid	255.947	076293-162	-	252,066	252,066	-
Total Major Programs			-	983,464	983,464	-
<u>Nonmajor State Programs</u>						
Handicap Education and School Aged Parents	255.101	076293-100	-	326,080	326,080	-
Categorical Aid through CESA #11			-	60,068	60,068	-
Total Handicap Education and School Aged Parents			-	386,148	386,148	-
State School Lunch Aid	255.102	076293-107	-	3,995	3,995	-
Common School Fund Library Aid	255.103	076293-104	-	49,968	49,968	-
General Transportation Aid for Public and Non-Public School Pupils	255.107	076293-102	-	64,767	64,767	-

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

Awarding Agency/Pass-Through Agency/Award Description	State I.D. Number	State Grant Number	Accrued Receivable (Deferred Revenue) July 1, 2024	Expenditures	Reimbursements	Accrued Receivable (Deferred Revenue) June 30, 2025
<u>Nonmajor State Programs (Continued):</u>						
Wisconsin School Day Milk Program	255.115	076293-109	\$ -	\$ 3,364	\$ 3,364	\$ -
General Aids Cluster:						
Special Adjustment Aid	255.203	076293-118	-	17,503	17,503	-
High Cost Special Education State Aid	255.210	076293-119	-	7,014	7,014	-
Sparsity Aid	255.212	076293-162	-	232,498	232,498	-
School Based Mental Health Programs	255.297	076293-177	(61)	18,910	18,849	-
Peer Review and Mentoring Grant	255.301	076293-141	23,132	24,045	23,132	24,045
State School Breakfast Aid	255.344	076293-108	-	4,113	4,113	-
Tribal Language Revitalization Grant	255.364	076293-155	6,973	7,500	6,973	7,500
Early College Credit Program	255.445	076293-178	-	7,725	7,725	-
Educator Effectiveness Evaluation System Grant	255.940	076293-154	-	5,322	-	5,322
Financial Literacy	255.950	076293-152	-	5,620	5,620	-
Assessments of Reading Readiness	255.956	076293-166	-	346	346	-
Aid for Special Education Transition Grant	255.960	076293-168	-	1,895	1,895	-
Total Wisconsin Department of Education			30,044	1,824,197	1,817,374	36,867
Total Nonmajor Programs			30,044	840,733	833,910	36,867
Total State Financial Assistance			<u>\$ 30,044</u>	<u>\$ 1,824,197</u>	<u>\$ 1,817,374</u>	<u>\$ 36,867</u>

Reconciliations to the Basic Financial Statements:

Governmental Funds:

State Sources

\$ 1,786,065

Intermediate Sources

60,068

Business-Type Funds:

State Sources

11,472

Less: State Sources not considered State Financial Assistance

(33,408)

Total State Financial Assistance

\$ 1,824,197

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

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) include the federal and state award activity of the School District of Webster under programs of the federal and state government for the year ended June 30, 2025. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), *Wisconsin State Single Audit Guidelines* and the *Wisconsin Public School District Audit Manual*. Because the Schedules present only a selected portion of the operations of the School District of Webster, they are not intended to and do not present the financial position, changes in net position, or cash flows of the School District of Webster.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The School District of Webster has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed, \$39,093. At June 30, 2025, the District had an immaterial amount of food commodities in inventory.

NOTE 5 – MEDICAL ASSISTANCE

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

NOTE 6 – SPECIAL EDUCATION AND SCHOOL AGED PARENTS PROGRAM

2024 – 2025 eligible costs under the State Special Education Program are \$980,609.

NOTE 7 – OVERSIGHT AGENCIES

The District’s federal oversight agency is the U.S. Department of Education. The District’s state cognizant agency is the Wisconsin Department of Public Instruction.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

FINDING 2024-001 – Lack of Segregation of Duties

Criteria: The Board of Education and management are responsible for establishing and maintaining internal controls over financial reporting to prevent misstatements in their financial reporting.

Condition: During our audit, we noted that many of the accounting functions (recording receipts, recording vendor invoices, transporting the bank deposit, opening mail, preparing checks, and mailing checks) are performed by a few individuals. These same individuals have the ability to record journal entries and reconcile accounts.

Cause: Limited staff is available to properly segregate duties.

Effect: Because of the lack of segregation of duties, unauthorized transactions or misstatements as a result of errors could occur.

Recommendation: We recognized that the District is not large enough to employ additional staff for the sole purpose of segregation of duties. Therefore, the Board of Education should rely on its direct knowledge of the District's operations and thoroughly review financial reports to control and safeguard assets and insure accurate financial reporting. We also recommend the treasurer review bank reconciliations and journal entries.

Management's Response: The District is aware of the lack of segregation of duties caused by the limited size of its staff and, therefore, agrees with this matter. The District will continue to improve the segregation of duties wherever possible and will continue to have the Board of Education's involvement in the review and approval process as much as practical.

Current Status: Repeated as finding 2025-001 in the current year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued)
YEAR ENDED JUNE 30, 2025

FINDING 2024-002 – Financial Accounting and Reporting

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Condition: During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.

Cause: Management does not have the training/skills to prepare the financial statements in accordance with generally accepted accounting principles.

Effect: Although the auditors are preparing the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation: We recommend that management continue to make this decision on a cost/benefit basis.

Management's Response: The District accepts this finding. The decision by the Board and Management to outsource the preparation of the financial statements and related notes has been on a cost/benefit basis. The District has assigned an individual with the knowledge and skills to review the financial statements which includes comparing the financial statements to the trial balances and prior year financial statements. After this process is complete, the District accepts responsibility for the financial statements.

Current Status: Repeated as finding 2025-002 in the current year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued)
YEAR ENDED JUNE 30, 2025

FINDING 2024-003 – Financial Reporting for Federal Awards and State Assistance

Criteria: The District should prepare the schedule of expenditures of federal awards and schedule of state financial assistance in accordance with federal and state requirements.

Condition: The District is required to prepare appropriate financial statements, including the schedule of expenditures of federal awards and schedule of state financial assistance. The District did not prepare the schedule of federal awards and schedule of state financial assistance. The schedules were prepared by Two Rivers Accounting, LLC.

Cause: Management does not have the training and skills to prepare these schedules.

Effect: Although the auditors are preparing the schedule of expenditures of federal awards and schedule of state financial assistance, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation: We recommend that management continue to make this decision on a cost/benefit basis.

Management's Response: The District will continue to rely on the expertise of an accounting firm to prepare these schedules.

Current Status: Repeated as finding 2025-003 in the current year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued)
YEAR ENDED JUNE 30, 2025

FINDING 2024-004 – Material Audit Adjustments

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

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

Cause: The District has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with generally accepted accounting principles (GAAP).

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

Recommendation: We recommend that management should continue to evaluate its internal control process to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

Management's Response: The District will continue to rely on the expertise of the audit firm to continue to propose audit adjustments are necessary to adjust accounts in accordance with GAAP. Management will review and approve those entries prior to recording them.

Current Status: Repeated as finding 2025-004 in the current year.

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

SECTION I: SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Material weakness (es) identified?	<u> x </u>	Yes	<u> </u>	No
Significant deficiency (es) identified?		Yes	<u> x </u>	None Reported

Noncompliance material to the financial statements?

	<u> </u>	Yes	<u> x </u>	No
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Federal Awards

Internal Control over federal major programs:

Material weakness (es) identified?	<u> </u>	Yes	<u> x </u>	No
Significant deficiency (es) identified?		Yes	<u> x </u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance*?

	<u> </u>	Yes	<u> x </u>	No
--	---------------------------	-----	----------------------	----

Identification for major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, and 10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?

	<u> </u>	Yes	<u> x </u>	No
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SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS (Continued):

State Awards

Internal Control over state major programs:

Material weakness (es) identified?

_____ Yes x No

Significant deficiency (es) identified?

_____ Yes x None Reported

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

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the *Wisconsin State
Single Audit Guidelines* and the *Wisconsin Public
School Audit Manual*?

_____ Yes x No

Identification for major state programs:

State ID Number(s)

Name of State Program

255.504

Acheivement Gap Reduction

255.945

Per Pupil Aid

255.947

High Cost Transportation Aid

Dollar threshold used to distinguish between type A and type B programs:

 \$ 250,000

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS (Continued):

Other Issues

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditor's report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *Wisconsin State Single Audit Guidelines* :

Department of Public Instruction No

Department of Health Services No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal Brandon Willger, CPA

Brandon Willger, CPA

5. Date of Report December 15, 2025

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION II: FINANCIAL STATEMENT FINDINGS:

FINDING 2025-001 – Lack of Segregation of Duties

Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Criteria:	Segregation of duties is a fundamental internal control principle designed to reduce the risk of errors or fraud going undetected. Government Auditing Standards and generally accepted accounting principles require that incompatible duties be divided among different employees to prevent any one person from having control over all aspects of a financial transaction.
Condition:	The District does not adequately segregate key accounting duties. For example, the same individual is responsible for authorizing transactions, recording them in the accounting system, and reconciling bank accounts.
Cause:	The District has limited staff and has not implemented alternative controls or procedures to mitigate the risks associated with inadequate segregation of duties.
Effect:	The lack of segregation of duties increases the risk that errors or irregularities could occur and not be detected in a timely manner, potentially resulting in material misstatements in the financial statements or misappropriation of assets.
Recommendation:	We recommend that management evaluate current processes and implement compensating controls, such as increased management oversight, periodic independent reviews, or the use of external parties, to mitigate the risks associated with inadequate segregation of duties.
Management's Response:	The District is aware of the lack of segregation of duties caused by the limited size of its staff and, therefore, agrees with this matter. The District will continue to improve the segregation of duties wherever possible and will continue to have the Board of Education's involvement in the review and approval process as much as practical.
Responsible Official:	Joshua Hetfeld, Superintendent
Anticipated Completion Date:	This finding will not completely resolve given the limited amount of financial staff and limited financial resources of the District. The District will rely on Board oversight and review of financial records.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION II: FINANCIAL STATEMENT FINDINGS (Continued):

FINDING 2025-002 – Financial Accounting and Reporting

Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Criteria:	Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
Condition:	During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.
Cause:	Management does not have the training/skills to prepare the financial statements in accordance with generally accepted accounting principles.
Effect:	Although the auditors are preparing the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.
Recommendation:	We recommend that management continue to make this decision on a cost/benefit basis.
Management's Response:	The District accepts this finding. The decision by the Board and Management to outsource the preparation of the financial statements and related notes has been on a cost/benefit basis. The District has assigned an individual with the knowledge and skills to review the financial statements which includes comparing the financial statements to the trial balances and prior year financial statements. After this process is complete, the District accepts responsibility for the financial statements.
Responsible Official:	Joshua Hetfeld, Superintendent
Anticipated Completion Date:	This finding will not completely resolve given the cost/benefit basis decision the District continues to make.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION II: FINANCIAL STATEMENT FINDINGS (Continued):

FINDING 2025-003 – Financial Reporting for Federal Awards and State Assistance

Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Criteria:	The District should prepare the schedule of expenditures of federal awards and schedule of state financial assistance in accordance with federal and state requirements.
Condition:	The District is required to prepare appropriate financial statements, including the schedule of expenditures of federal awards and schedule of state financial assistance. The District did not prepare the schedule of federal awards and schedule of state financial assistance. The schedules were prepared by Two Rivers Accounting, LLC.
Cause:	Management does not have the training and skills to prepare these schedules.
Effect:	Although the auditors are preparing the schedule of expenditures of federal awards and schedule of state financial assistance, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.
Recommendation:	We recommend that management continue to make this decision on a cost/benefit basis.
Management's Response:	The District will continue to rely on the expertise of an accounting firm to prepare these schedules.
Responsible Official:	Joshua Hetfeld, Superintendent
Anticipated Completion Date:	This finding will not completely resolve given the cost/benefit basis decision the District continues to make.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION II: FINANCIAL STATEMENT FINDINGS (Continued):

FINDING 2025-004 – Material Audit Adjustments

Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Criteria:	Auditing standards require that financial statements be free of material misstatement, whether due to error or fraud. Material audit adjustments are defined as proposed corrections of misstatements that could, individually or in the aggregate, have a material effect on the company's financial reporting process. Both quantitative and qualitative factors must be considered in determining materiality.
Condition:	During the audit, we identified material misstatements in the financial statements that required audit adjustments to correct errors in account balances and disclosures. These adjustments were necessary to ensure the financial statements were presented fairly in accordance with generally accepted accounting principles.
Cause:	The material misstatements resulted from deficiencies in the District's internal controls over financial reporting, including inadequate review and reconciliation procedures.
Effect:	Without these audit adjustments, the financial statements would have been materially misstated, potentially misleading users and resulting in noncompliance with applicable laws, regulations, or contractual requirements.
Recommendation:	We recommend that management strengthen internal controls over financial reporting, including implementing more robust review and reconciliation procedures, to prevent future material misstatements and reduce the need for audit adjustments.
Management's Response:	The District will continue to rely on the expertise of the audit firm to continue to propose audit adjustments as necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.
Responsible Official:	Joshua Hetfeld, Superintendent
Anticipated Completion Date:	This finding will be resolved by the end of the June 30, 2026, fiscal year.

SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2025

SECTION IV: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS: None

SECTION V: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS: None

SECTION VI: FINDINGS RELATED TO STATE GENERAL AND PROGRAM REQUIREMENTS: None



Corrective Action Plan

Financial Statement Findings

Finding 2025-001: Segregation of Duties - The District is aware of the lack of segregation of duties caused by the limited size of staff. Segregation of duties are enhanced whenever possible and the Board of Education assumes an active role through monthly review of receipt and disbursement transactions and monthly financial statements.

Responsible Official – Joshua Hetfeld, Superintendent

Anticipated Completion Date – This finding will not completely resolve itself given the limited amount of financial staff and limited financial resources of the District. The District will rely on Board oversight and review of financial records.

Finding 2025-002: Financial Accounting and Reporting - The District is aware that its staff does not have the training to prepare the financial statements and related notes in accordance with GAAP. The District will rely on the assistance of the auditors for preparation of the financial statements and related notes. The District has assigned an individual with the knowledge and skills to review the financial statements. This includes comparing the financial statements to the trial balances and prior year financial statements. After this process is complete, the District accepts responsibility for the financial statements.

Responsible Official – Joshua Hetfeld, Superintendent

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis decision the District continues to make.

Finding 2025-003: Financial Reporting for Federal Awards and State Assistance - The District is aware that its staff does not have the training to prepare the schedule of expenditures of federal awards and the schedule of state financial assistance and related footnotes. The District will rely on the assistance of the auditors for preparation of these schedules and related footnotes. After the review process is completed, the District accepts responsibility for the schedules and related footnotes.

Responsible Official – Joshua Hetfeld, Superintendent

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefit basis decision the District continues to make.

Corrective Action Plan (Continued)

Financial Statement Findings (Continued)

Finding 2025-004: Material Audit Adjustments - The District will continue to rely on the expertise of the audit firm to continue to propose audit adjustments as necessary to adjust accounts in accordance with GAAP. Management will review and approve those entries prior to recording them. The District has reviewed and approved the proposed material audit adjustments and has made the adjustments to the District's general ledger.

Responsible Official – Joshua Hetfeld, Superintendent

Anticipated Completion Date – This finding will be resolved by the end of the June 30, 2026, fiscal year.

OTHER INFORMATION

**SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION SUBFUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Intermediate Sources	\$ 69,370	\$ 69,370	\$ 61,568	\$ (7,802)
State Sources	368,285	368,285	334,989	(33,296)
Federal Sources	231,328	231,328	197,542	(33,786)
Total Revenues	668,983	668,983	594,099	(74,884)
Expenditures:				
Instruction:				
Special Education Instruction	1,105,976	1,105,976	1,065,264	40,712
Support Services:				
Pupil Services	186,163	186,163	209,725	(23,562)
Instructional Staff Services	145,259	145,259	146,007	(748)
General Administration	2,668	2,668	3,000	(332)
Business Administration	12,700	12,700	6,184	6,516
Other Support Services	939	939	939	-
Nonprogram	108,000	108,000	104,590	3,410
Other Nonprogram	-	-	70	(70)
Total Expenditures	1,561,705	1,561,705	1,535,779	25,926
Excess Revenues (Expenditures)	(892,722)	(892,722)	(941,680)	(48,958)
Other Financing Sources				
Transfers In (Out)	892,722	892,722	941,680	48,958
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

**SCHOOL DISTRICT OF WEBSTER
WEBSTER, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Debt Service Fund			Variance
	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Local Sources:				
Property Taxes	\$ 749,725	\$ 749,725	\$ 749,725	\$ -
Other Local Sources	-	-	28	28
Total Revenues	749,725	749,725	749,753	28
Expenditures:				
Debt Service:				
Principal	659,200	659,200	655,000	4,200
Interest	127,463	127,463	104,550	22,913
Other Debt Related	309	309	-	309
Total Expenditures	786,972	786,972	759,550	27,422
Net Change in Fund Balance	(37,247)	(37,247)	(9,797)	27,450
Fund Balance, Beginning of Year	57,874	57,874	57,874	-
Fund Balance, End of Year	\$ 20,627	\$ 20,627	\$ 48,077	\$ 27,450