



**JOHNSON BLOCK**

**CPAs**

**SCHOOL DISTRICT OF WEST SALEM  
WEST SALEM, WISCONSIN**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
Year Ended June 30, 2025**

**SCHOOL DISTRICT OF WEST SALEM**  
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June 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
School District of West Salem  
West Salem, Wisconsin

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of West Salem 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 West Salem's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 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 GAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, net OPEB liability schedules, and Wisconsin Retirement System schedules on pages 45 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of West Salem's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The combining and individual fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



### **Other Reporting Required by Government Auditing Standards**

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

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 10, 2025

## **BASIC FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF WEST SALEM  
DISTRICT-WIDE STATEMENT OF NET POSITION  
As of June 30, 2025**

	Governmental Activities
<b>Assets</b>	
<b>Current assets:</b>	
Cash and investments	\$ 26,219,015
Receivables:	
Taxes	3,597,730
Accounts	378,750
Due from fiduciary fund	13,634
Due from other governments	187,594
Prepaid expenses	133,494
<b>Total current assets</b>	<b>30,530,217</b>
<b>Noncurrent assets:</b>	
Capital assets, net of accumulated depreciation	48,624,280
Right of use assets, net of accumulated amortization	1,161,875
Net book value of capital assets	49,786,155
<b>Total assets</b>	<b>80,316,372</b>
<b>Deferred outflows of resources</b>	
Pension plan - WRS	6,607,948
Other post-employment benefits	661,522
<b>Total deferred outflows of resources</b>	<b>7,269,470</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 87,585,842</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 569,758
Accrued liabilities:	
Payroll, payroll taxes, insurance	765,294
Interest	355,706
Due to other funds	
Due to fiduciary fund	128,571
Unearned revenue	35,844
Current portion of long-term obligations	2,056,733
<b>Total current liabilities</b>	<b>3,911,906</b>
<b>Noncurrent liabilities:</b>	
Long-term obligations, net of current portion	39,447,936
Net pension liability	1,212,802
Net OPEB liability	1,794,223
<b>Total noncurrent liabilities</b>	<b>42,454,961</b>
<b>Total liabilities</b>	<b>46,366,867</b>
<b>Deferred inflows of resources</b>	
Pension plan - WRS	3,548,792
Other post-employment benefits	546,573
<b>Total deferred inflows of resources</b>	<b>4,095,365</b>
<b>Net position</b>	
Net investment in capital assets	28,771,896
Restricted for:	
Debt service	387,259
Food service	194,269
Special revenue trust fund	899,896
Capital projects fund	2,634,698
Capital improvement fund	371,326
Community service	21,180
Unrestricted	3,843,086
<b>Total net position</b>	<b>37,123,610</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 87,585,842</b>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM  
DISTRICT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expenses), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 11,115,747	\$ 110,298	\$ 177,166	\$ (10,828,283)
Vocational instruction	615,355	-	35,023	(580,332)
Physical instruction	773,911	-	-	(773,911)
Special education instruction	3,556,630	75,805	1,685,921	(1,794,904)
Other instruction	1,222,304	1,030,017	4,384	(187,903)
<b>Total instruction</b>	<b>17,283,947</b>	<b>1,216,120</b>	<b>1,902,494</b>	<b>(14,165,333)</b>
Support services:				
Pupil services	1,469,871	-	163,823	(1,306,048)
Instructional staff services	1,638,230	2,165	299,416	(1,336,649)
General administration services	678,064	-	-	(678,064)
Business administration services	360,446	-	-	(360,446)
Building administration services	1,631,337	-	-	(1,631,337)
Operation and maintenance	2,946,706	4,442	19,992	(2,922,272)
Central services	361,285	-	-	(361,285)
Insurance	343,137	-	-	(343,137)
Pupil transportation	1,286,864	288	80,589	(1,205,987)
Community service	118,212	78,688	-	(39,524)
Other support services	979,723	-	9,815	(969,908)
Food service	1,354,448	753,078	481,632	(119,738)
Depreciation - unallocated*	1,273,073	-	-	(1,273,073)
Interest and fiscal charges	874,989	-	-	(874,989)
<b>Total support services</b>	<b>15,316,385</b>	<b>838,661</b>	<b>1,055,267</b>	<b>(13,422,457)</b>
Nonprogram:				
Purchased instructional service	2,444,185	-	-	(2,444,185)
Other nonprogram	110,689	-	87,232	(23,457)
<b>Total nonprogram</b>	<b>2,554,874</b>	<b>-</b>	<b>87,232</b>	<b>(2,467,642)</b>
Debt service:				
	462,344	-	-	(462,344)
<b>Total school district</b>	<b>\$ 35,617,550</b>	<b>\$ 2,054,781</b>	<b>\$ 3,044,993</b>	<b>(30,517,776)</b>

**General revenues:**

Property taxes:	
General purpose	8,719,036
Community Services	160,000
Debt service	3,965,081
State and federal aids not restricted to specific functions:	
General	18,147,770
Interest and investment earnings	308,438
Miscellaneous	560,128
<b>Total general revenues</b>	<b>31,860,453</b>
<b>Change in net position</b>	<b>1,342,677</b>
<b>Net position - beginning of year, as previously stated</b>	<b>36,108,235</b>
<b>Restatement for change in accounting principle</b>	<b>(327,302)</b>
<b>Net position - beginning of year, as restated</b>	<b>35,780,933</b>
<b>Net position - end of year</b>	<b>\$ 37,123,610</b>

\*This amount excludes the depreciation that is included in the direct expenses of the various functions, see Note 2.C.

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2025**

	Major			Nonmajor Gov't. Funds	Total Gov't. Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>Assets</b>					
Cash and investments	\$ 739,576	\$ 742,965	\$ 23,145,359	\$ 1,591,115	\$ 26,219,015
Receivables:					
Taxes	3,597,730	-	-	-	3,597,730
Accounts	378,221	-	-	529	378,750
Due from other funds	13,529	-	-	105	13,634
Due from other governments	163,220	-	-	24,374	187,594
Prepaid expenses	123,109	-	-	10,385	133,494
<b>Total assets</b>	<u>\$ 5,015,385</u>	<u>\$ 742,965</u>	<u>\$ 23,145,359</u>	<u>\$ 1,626,508</u>	<u>\$ 30,530,217</u>
<b>Liabilities</b>					
Accounts payable	\$ 42,429	\$ -	\$ 434,842	\$ 92,487	\$ 569,758
Accrued liabilities:					
Payroll, payroll taxes, and employee benefits	762,898	-	-	2,396	765,294
Deposits payable	-	-	-	-	-
Due to other funds	128,571	-	-	-	128,571
Due to other governments	-	-	-	-	-
Unearned revenues	1,275	-	-	34,569	35,844
<b>Total liabilities</b>	<u>935,173</u>	<u>-</u>	<u>434,842</u>	<u>129,452</u>	<u>1,499,467</u>
<b>Fund balances</b>					
Nonspendable	123,109	-	-	10,385	133,494
Restricted	-	742,965	22,710,517	1,486,671	24,940,153
Unassigned	3,957,103	-	-	-	3,957,103
<b>Total fund balances</b>	<u>4,080,212</u>	<u>742,965</u>	<u>22,710,517</u>	<u>1,497,056</u>	<u>29,030,750</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,015,385</u>	<u>\$ 742,965</u>	<u>\$ 23,145,359</u>	<u>\$ 1,626,508</u>	<u>\$ 30,530,217</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
As of June 30, 2025**

		Total Gov't. Funds
<b>Total fund balances from previous page</b>		<u>\$ 29,030,750</u>
 <i>Total net position reported for governmental activities in the Statement of Net Position is different from the amount reported as total governmental funds' fund balance because:</i>		
 Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the Statement of Net Position are:		
Governmental capital assets	77,606,174	
Governmental accumulated depreciation/amortization	<u>(28,981,894)</u>	48,624,280
 Right to use leased assets are used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:		
Governmental right to use leased assets	1,600,331	
Governmental accumulated amortization	<u>(438,456)</u>	1,161,875
 Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	7,269,470	
Deferred inflows of resources	<u>(4,095,365)</u>	3,174,105
 Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the Statement of Net Position that are not reported in the Governmental Fund Balance Sheet are:		
General obligation debt	(39,120,000)	
Unamortized bond premium	(453,430)	
Financed purchase liability	(1,516,648)	
Accrued interest on general obligation debt	(355,706)	
Net pension liability	(1,212,802)	
Net OPEB liability	(1,794,223)	
Compensated absences	<u>(414,591)</u>	(44,867,400)
 <b>Total net position - governmental activities</b>		 <u><u>\$ 37,123,610</u></u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	Major					Total	
	General Fund	Formerly Major Fund Special Revenue Trust Fund	Debt Service Fund	Capital Projects Fund	Formerly Major Fund Food Service Fund		Other Gov't. Funds
<b>Revenues:</b>							
Property taxes	\$ 8,719,036		\$ 3,965,081	\$ -		\$ 160,000	\$ 12,844,117
Other local sources	471,155		420	87,109		1,677,448	2,236,132
Interdistrict sources	2,620,183		-	-		24,374	2,644,557
Intermediate sources	32,343		-	-		-	32,343
State sources	17,227,178		-	-		18,329	17,245,507
Federal sources	951,207		-	-		463,303	1,414,510
Other sources	70,884		-	-		31,378	102,262
<b>Total revenues</b>	<u>30,091,986</u>		<u>3,965,501</u>	<u>87,109</u>		<u>2,374,832</u>	<u>36,519,428</u>
<b>Expenditures:</b>							
<b>Current:</b>							
<b>Instruction:</b>							
Regular instruction	10,030,663		-	-		579	10,031,242
Vocational instruction	603,558		-	-		-	603,558
Physical instruction	755,976		-	-		-	755,976
Special instruction	3,466,632		-	-		-	3,466,632
Other instruction	698,611		-	-		523,693	1,222,304
<b>Total instruction</b>	<u>15,555,440</u>		<u>-</u>	<u>-</u>		<u>524,272</u>	<u>16,079,712</u>
<b>Support services:</b>							
Pupil services	1,425,957		-	-		5,545	1,431,502
Instructional staff services	1,608,232		-	-		640	1,608,872
General administration services	577,677		-	-		28,669	606,346
Building administration services	1,542,831		-	-		43,753	1,586,584
Business administration services	352,654		-	-		-	352,654
Operation and maintenance	2,855,032		-	2,924,181		786,161	6,565,374
Pupil transportation	1,035,566		-	-		140,718	1,176,284
Central services	357,922		-	-		-	357,922
Insurance	343,137		-	-		-	343,137
Community service	-		-	-		117,732	117,732
Other support services	968,125		-	-		3,323	971,448
Food service	-		-	-		1,307,931	1,307,931
<b>Total support services</b>	<u>11,067,133</u>		<u>-</u>	<u>2,924,181</u>		<u>2,434,472</u>	<u>16,425,786</u>
<b>Debt service:</b>							
Principal	371,883		3,565,705	-		-	3,937,588
Interest	11,011		678,615	-		-	689,626
Other debt	-		294,194	-		-	294,194
<b>Total debt service</b>	<u>382,894</u>		<u>4,538,514</u>	<u>-</u>		<u>-</u>	<u>4,921,408</u>
<b>Nonprogram services</b>							
Purchased instructional service	2,444,185		-	-		-	2,444,185
Other nonprogram	74,520		-	-		29,550	104,070
<b>Total nonprogram</b>	<u>2,518,705</u>		<u>-</u>	<u>-</u>		<u>29,550</u>	<u>2,548,255</u>
<b>Capital outlay</b>	<u>1,630,871</u>		<u>-</u>	<u>-</u>		<u>17,426</u>	<u>1,648,297</u>
<b>Total expenditures</b>	<u>31,155,043</u>		<u>4,538,514</u>	<u>2,924,181</u>		<u>3,005,720</u>	<u>41,623,458</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,063,057)</u>		<u>(573,013)</u>	<u>(2,837,072)</u>		<u>(630,888)</u>	<u>(5,104,030)</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	368,465		-	-		-	368,465
Transfer (to) from other funds	(250,000)		-	-		250,000	-
Proceeds from long-term debt	1,395,997		7,590,000	23,000,000		-	31,985,997
Proceeds from insurance recoveries	-		-	72,333		-	72,333
Premium on long-term debt	-		310,012	-		-	310,012
Current refunding of debt principal	-		(7,434,295)	-		-	(7,434,295)
Debt issuance cost	-		(168,150)	-		-	(168,150)
<b>Total other financing sources (uses)</b>	<u>1,514,462</u>		<u>297,567</u>	<u>23,072,333</u>		<u>250,000</u>	<u>25,134,362</u>
<b>Net change in fund balances</b>	<u>451,405</u>		<u>(275,446)</u>	<u>20,235,261</u>		<u>(380,888)</u>	<u>20,030,332</u>
<b>Fund balances - beginning of year, as previously stated</b>	3,628,807	\$ 749,112	1,018,411	2,475,256	\$ 276,306	852,526	9,000,418
Change within financial reporting entity (major to nonmajor fund)	-	(749,112)	-	-	(276,306)	1,025,418	-
<b>Fund balances - beginning of year, as restated</b>	<u>3,628,807</u>	<u>-</u>	<u>1,018,411</u>	<u>2,475,256</u>	<u>-</u>	<u>1,877,944</u>	<u>9,000,418</u>
<b>Fund balances - end of year</b>	<u>\$ 4,080,212</u>	<u>-</u>	<u>\$ 742,965</u>	<u>\$ 22,710,517</u>	<u>-</u>	<u>\$ 1,497,056</u>	<u>\$ 29,030,750</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025**

<b>Net change in fund balances - total governmental funds</b>		\$ 20,030,332
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities		
Capital outlay reported in governmental fund statement:	\$ 1,648,297	
Capital asset additions not included in capital outlay	3,711,733	
Depreciation expense reported in the Statement of Activities:	<u>(2,327,451)</u>	
<b>Amount by which capital outlays are greater (less) than depreciation in the current period</b>		3,032,579
The District disposed of assets resulting in a reduction of capital assets and recapture of prior year depreciation and amortization expense reported on the Statement of Net Position as a net loss and having no effect on the Governmental Fund Balance Sheet.		
The value of capital assets disposed of during the year was:	(4,554)	
The value of leased assets disposed of during the year was:	(1,333,788)	
The amount of depreciation recapture for the year was:	4,554	
The amount of amortization recaptured for the year was:	<u>1,333,788</u>	
<b>The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:</b>		-
Employee benefits and OPEB are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year		
Change in other postemployment benefits, with some adjustment:	(89,590)	
Change in compensated absences	<u>12,631</u>	
<b>Amounts paid are greater (less) than amounts earned by:</b>		(76,959)
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities		
The amount of debt incurred in the current year is:		(31,985,997)
Repayment of principal on long-term debt is reported in the governmental fund as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year is:		11,000,000
The amount of lease liability principal payments in the current year is:		371,883
In governmental funds, debt discount costs and premiums on outstanding long-term debt are reported as an expenditure or revenue when incurred. In the Statement of Activities, premiums and discounts are amortized over the life of the debt issue.		
The amount of premium incurred in the current period	(310,012)	
The amount of debt premium amortized and recognized during the current period	<u>30,135</u>	
<b>Debt issue costs paid are greater (less) than debt issue costs recorded:</b>		(279,877)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustment		
Amount of current year required contributions into the defined benefit pension plan	(1,582,319)	
Actuarially determined change in net pension asset/liability between years, with some adjustment	<u>1,048,533</u>	
		(533,786)
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
The amount of interest paid during the current period	689,626	
The amount of interest accrued during the current period	<u>(905,124)</u>	
<b>Interest paid is greater (less) than interest accrued by:</b>		(215,498)
<b>Change in net position - governmental activities</b>		<u>\$ 1,342,677</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**As of June 30, 2025**

	Scholarship Funds	Employee Benefit Trust Fund	Total
<b>Assets</b>			
Cash and investments	\$ -	\$ 140,926	\$ 140,926
Beneficial interest in perpetual trust	282,386	-	282,386
Due from other funds	-	128,571	128,571
<b>Total assets</b>	<u>\$ 282,386</u>	<u>\$ 269,497</u>	<u>\$ 551,883</u>
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 13,634	\$ 13,634
<b>Total liabilities</b>	<u>-</u>	<u>13,634</u>	<u>13,634</u>
<b>Net Position</b>			
Restricted for scholarships	282,386	-	282,386
Restricted for employee post-employment benefits	-	255,863	255,863
<b>Total net position</b>	<u>282,386</u>	<u>255,863</u>	<u>538,249</u>
<b>Total liabilities and net position</b>	<u>\$ 282,386</u>	<u>\$ 269,497</u>	<u>\$ 551,883</u>

See accompanying notes to financial statements.

**SCHOOL DISTRICT OF WEST SALEM**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2025**

	Scholarship Funds	Employee Benefit Trust Fund	Total
<b>Additions</b>			
Interest income	\$ -	\$ 3,227	\$ 3,227
District contributions		128,571	128,571
Change in interest in perpetual trust	24,207	-	24,207
<b>Total additions</b>	<u>24,207</u>	<u>131,798</u>	<u>156,005</u>
<b>Deductions</b>			
Scholarships awarded	4,200	-	4,200
Employee benefits	-	78,133	78,133
Dues and fees	4,389	-	4,389
<b>Total deductions</b>	<u>8,589</u>	<u>78,133</u>	<u>86,722</u>
<b>Change in net position</b>	15,618	53,665	69,283
<b>Net position - beginning of year</b>	<u>266,768</u>	<u>202,198</u>	<u>468,966</u>
<b>Net position - end of year</b>	<u>\$ 282,386</u>	<u>\$ 255,863</u>	<u>\$ 538,249</u>

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF WEST SALEM**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

The School District of West Salem is organized as a common school district. The District, governed by a seven-member elected school board, operates kindergarten through grade 12 and is comprised of all or parts of eleven taxing districts. This report includes all the funds of the School District of West Salem. The reporting entity for the District consists 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 their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION**

**District-Wide Financial Statements**

The District-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The effect of interfund activity within the governmental column has been removed from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues and other nonexchange transactions.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues included (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)**

**Fund Financial Statements (Continued)**

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

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

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following governmental funds:

General Fund – The General Fund is the District’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund. Special education revenues and expenses are included in the General Fund.

Debt Service Fund – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Fund – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

The District reports the following major governmental funds:

General Fund  
Debt Service Fund  
Capital Projects Fund

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)**

**Governmental Funds (Continued)**

The District reports the following nonmajor governmental funds:

Capital Improvement Trust Fund

Special Revenue Funds:

Special Revenue Trust Fund

Food Service Fund

Community Service Fund

**Fiduciary Funds (Not included in District-Wide Statements)**

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

The District reports the following fiduciary funds:

Employee Benefit Trust Fund – This is a separate accounting fund for reporting resources set aside and held in a trust arrangement for post-employment benefits. The District established this fund in the 2006-2007 school year.

Scholarship Fund – The scholarship fund is used to account for resources legally held in trust for student scholarships.

**C. BASIS OF ACCOUNTING**

The district-wide and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**C. BASIS OF ACCOUNTING (Continued)**

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to comprising municipalities based on the immediate past October 1<sup>st</sup> full or “equalized” taxable property values. As permitted by a collecting municipality’s ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31<sup>st</sup>, and the final payment no later than the following July 31<sup>st</sup>. On or before January 15<sup>th</sup>, and by the 20<sup>th</sup> of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20<sup>th</sup>, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1<sup>st</sup>, 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<sup>th</sup> and are available to pay current liabilities.

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

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

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

For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows are removed from the balance sheet and revenue is recognized.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**C. BASIS OF ACCOUNTING (Continued)**

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

**D. MEASUREMENT FOCUS**

On the District-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds, and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or non-spendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the District-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

**E. CASH AND INVESTMENTS**

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.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

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 laws applicable to trust investments.

**F. INVENTORIES AND PREPAID EXPENSES**

Governmental fund inventories are recorded at cost based on the FIFO (first-in, first-out) method using the consumption method of accounting. Inventory in the General Fund and governmental activities consists of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Prepaid items represent payments made by the District for which benefits extend beyond June 30<sup>th</sup>.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**G. LONG-TERM OBLIGATIONS**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the District-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as a liability in the District-wide statements. The long-term debt consists primarily of notes, bonds or loans payable, financed purchase agreements, and compensated absences.

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

Debt issuance costs are recognized in the current period for the government-wide and governmental fund statements.

**H. CAPITAL ASSETS**

**District-Wide Statements**

In the District-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated acquisition value at the date of donation. The District maintains a threshold level of a unit cost of \$10,000 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land improvements	20 years
Buildings and improvements	10 - 50 years
Furniture and equipment	3 - 50 years
Leased equipment	3 - 50 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**I. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**J. BUDGETS**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

The budgeted amounts presented include amendments adopted during the year. Transfers between functions and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level in the General Fund and at the fund level for all other funds.

**K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**L. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS**

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

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

As provided in the employee handbooks, qualified employees meeting minimum age and length of service requirements may be eligible for certain pension and other post-employment benefits directly from the District. See Footnote 2.H. for further post-employment benefits explanation.

**M. CLAIMS AND JUDGMENTS**

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the District-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**N. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**O. PENSIONS**

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

**P. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents a an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has items that qualify for reporting in this category. The deferred inflows of resources are related to the WRS pension system and the OPEB.

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

**Q. UNEARNED REVENUE**

The District maintains prepaid family lunch accounts for student lunches and the District records these balances as unearned revenue.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**R. EQUITY CLASSIFICATIONS**

**District-Wide Statements**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the District’s policy to use restricted resources first, then unrestricted resources as they are needed when both are available.

**Fund Statements**

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Non-spendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the Board of Education. A formal resolution by the Board of Education is required to establish, modify, or rescind a fund balance commitment.
- d. Assigned – amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments of fund balance will be authorized by the Board of Education.
- e. Unassigned – the residual classification for the General Fund representing amounts not restricted, committed, or assigned to specific purposes.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District’s policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

**S. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**T. CHANGE IN ACCOUNTING PRINCIPLES**

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

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

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**NOTE 2. DETAILED NOTES ON ALL FUNDS**

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**A. CASH AND INVESTMENTS**

Investment of District funds is restricted by State Statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool (LGIP).
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

The carrying amount of the District’s cash and investments totaled \$26,359,941 on June 30, 2025 and is summarized below:

Deposits with financial institutions	\$	489,537
Investments:		
MidAmerica Trust		137,761
Local Government Investment Pool (LGIP)		3,025,613
Trust Point		263,860
Wisconsin Investment Series Cooperative (WISC)		22,443,170
		<u>\$ 26,359,941</u>
 <b>Reconciliation to the basic financial statements:</b>		
District-Wide Statement of Net Position:		
Cash and investments	\$	26,219,015
Fiduciary funds:		
Employee Benefit Trust Fund		140,926
		<u>\$ 26,359,941</u>

Deposits and investments of the District are subject to various risks. Following is a discussion of the specific risks and the District’s policy related to the risk.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of the 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 the possession of another party. The District evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits and investments are held. Formal written custodial risk policies have not been adopted by the District. As of June 30, 2025, the District had no deposits with financial institutions in excess of federal and state depository insurance limits that were exposed to custodial risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts. Deposits with financial institutions, the LGIP and the WISC are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has been considered in computing the above amounts.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District’s policy is to invest in funds that are available to the District at any time. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of June 30, 2025, the LGIP had an average maturity of 3 days and a fair value of \$3,025,613. As of June 30, 2025, the WISC had an average maturity of less than 60 days and a fair value of \$22,443,170. The investments of the Employee Benefit Trust Fund had an average maturity less than one year and a fair value of \$137,761. The District has investments with Trust Point that all have a weighted average maturity of less than 1 year.

Credit Risk – Generally, credit risk is the risk that the 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. The Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

As of June 30, 2025, the District’s investments were rated as follows:

Investment	Rating	Fair Value
WISC Investment Series	S&P - AAAM	\$ 744,046
WISC Financial CDs	Unrated	13,600,800
WISC Securities	S&P - AA+	6,489,980
WISC Cash Management Series	S&P - AAAM	1,608,344
Local Investment Pool	Unrated	3,025,613
Mid America Trust	S&P - A-	137,761
Total		<u>\$ 25,606,544</u>

The WISC was established pursuant to an intergovernmental cooperation agreement under the Wisconsin inter-governmental cooperation statute. The WISC is governed by a commission, made up of superintendents and business officials of participating public entities, in accordance with the terms of the Intergovernmental Cooperation Agreement. The WISC’s portfolio’s investments at all times consist solely of securities and instruments in which public entities are permitted to invest.

The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The LGIP was not rated as of June 30, 2025. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool’s investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2025, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the District.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of June 30, 2025, was 98% in U.S Government Securities and 2% in Commercial Paper, Certificates of Deposits and Time Deposits. The Wisconsin State Treasurer updates the investments allocations on a monthly basis.

The District has established an Employee Benefit Trust Fund to pay retirees postemployment benefits. Investment allocation in the Mid America Trust as of June 30, 2025, was: 49% in Corporate Bonds, 25% in Mortgage and Asset-backed Securities, 16% in Direct Commercial Mortgages, and 10% in Other.

The District also holds equity and fixed income mutual funds through Trust Point. The fixed income mutual funds invest in bonds with various credit ratings. The underlying bonds in these funds are rated as follows by Morningstar:

<u>Credit Rating</u>	<u>%</u>
AAA	51.08%
AA	25.10%
A	7.60%
BBB	8.45%
BB	2.20%
B	2.11%
<B	2.43%
Not Rated	1.03%
	<u>100.00%</u>

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. The District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total District investments.

**B. FAIR VALUE**

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

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**B. FAIR VALUE (Continued)**

The District uses the following hierarchical disclosure framework:

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

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

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

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

The Level 1 investments are reported at fair value in the District’s financial statements. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. The fair value of common stocks, corporate bonds, and U.S. government securities are based on the closing price reported on the active market where the individual securities are traded.

The District’s investments measured at fair value are summarized below:

Investments by Fair Value Level	6/30/2025	Level		
		1	2	3
Fixed Annuity Trusts	\$ 137,761	\$ -	\$ 137,761	\$ -
Equity Mutual Funds	139,285	139,285	-	-
Fixed Income Mutual Funds	121,525	121,525	-	-
Money Market	3,050	3,050	-	-
<b>Total Investments by Fair Value Level</b>	<b>\$ 401,621</b>	<b>\$ 263,860</b>	<b>\$ 137,761</b>	<b>\$ -</b>

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. CAPITAL ASSETS**

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

	Balance 7/01/24	Additions	Deletions	Balance 6/30/25
Capital assets not being depreciated:				
Land	\$ 2,170,597	\$ -	\$ -	\$ 2,170,597
Construction in progress	30,700	3,291,133	-	3,321,833
Total capital assets not being depreciated	<u>2,201,297</u>	<u>3,291,133</u>	<u>-</u>	<u>5,492,430</u>
Capital assets being depreciated:				
Land improvements	3,134,727	59,900	4,554	3,190,073
Buildings and building improvements	61,226,340	360,701	-	61,587,041
Machinery and equipment	7,084,331	252,299	-	7,336,630
Leased machinery and equipment	1,538,122	1,395,997	1,333,788	1,600,331
Total capital assets being depreciated	<u>72,983,520</u>	<u>2,068,897</u>	<u>1,338,342</u>	<u>73,714,075</u>
Total capital assets	<u>75,184,817</u>	<u>5,360,030</u>	<u>1,338,342</u>	<u>79,206,505</u>
Less: Accumulated depreciation for:				
Land improvements	1,794,199	104,872	4,554	1,894,517
Building and building improvements	20,450,462	1,203,647	-	21,654,109
Machinery and equipment	5,137,649	295,619	-	5,433,268
Leased machinery and equipment	1,048,931	723,313	1,333,788	438,456
Total accumulated depreciation	<u>28,431,241</u>	<u>2,327,451</u>	<u>1,338,342</u>	<u>29,420,350</u>
Net capital assets	<u>\$ 46,753,576</u>	<u>\$ 3,032,579</u>	<u>\$ -</u>	<u>\$ 49,786,155</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities:

Instruction:

Regular \$ 802,371

Support services:

Administration 59,334

Operation and maintenance 61,145

Pupil transportation 98,144

Food service 33,384

Unallocated 1,273,073

Total depreciation expense \$ 2,327,451

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. INTERFUND ACTIVITY**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
Employee Benefits Trust Fund	General Fund	Contribution to Trust	\$ 128,571
General Fund	Employee Benefits Trust Fund	Expense Reimbursement	13,529
Food Service Fund	Employee Benefits Trust Fund	Expense Reimbursement	105

Interfund transfers for the year ended June 30, 2025, were as follows:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Purpose:</u>	<u>Total</u>
General Fund	Capital Improvement Trust Fund	To finance future capital projects	\$ 250,000
			<u>\$ 250,000</u>

**E. LONG-TERM OBLIGATIONS**

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

	<u>Balance 7/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2025</u>	<u>Amounts Due Within One Year</u>
Bonds, notes and loans payable:					
General obligation debt	\$ 19,530,000	\$ 30,590,000	\$ 11,000,000	\$ 39,120,000	\$ 1,620,000
Bond premium	173,553	310,012	30,135	453,430	-
Total bonds, notes and loans payable	<u>19,703,553</u>	<u>30,900,012</u>	<u>11,030,135</u>	<u>39,573,430</u>	<u>1,620,000</u>
Other liabilities:					
Financed purchase agreements	492,534	1,395,997	371,883	1,516,648	390,109
Compensated absences*	427,222	-	12,631	414,591	46,624
Total other liabilities	<u>919,756</u>	<u>1,395,997</u>	<u>384,514</u>	<u>1,931,239</u>	<u>436,733</u>
Total long-term liabilities	<u>\$ 20,623,309</u>	<u>\$ 32,296,009</u>	<u>\$ 11,414,649</u>	<u>\$ 41,504,669</u>	<u>\$ 2,056,733</u>

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

All general obligation bonds, notes and loans payable are backed by the full faith and credit of the District. Bonds, notes and loans in the governmental funds will be retired by future property tax levies.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. LONG-TERM OBLIGATIONS (Continued)**

General obligation debt on June 30, 2025 is comprised of the following individual issues:

Type	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance Outstanding 6/30/2025
General obligation school improvement bonds	12/21/2016	4/1/2036	3.000 - 3.125%	\$ 9,900,000	\$ 9,700,000
General obligation corpportate purpose bonds	4/6/2017	4/1/2037	2.250 - 3.000%	10,000,000	8,830,000
General obligation promissory note	4/3/2025	4/1/2045	5.000 - 4.350%	20,590,000	20,590,000
Total general obligation debt					\$ 39,120,000

Debt service requirements to maturity on general obligation debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,620,000	\$ 1,439,231	\$ 3,059,231
2027	1,040,000	1,401,031	2,441,031
2028	1,485,000	1,375,031	2,860,031
2029	1,525,000	1,334,194	2,859,194
2030	1,565,000	1,292,256	2,857,256
2031-2035	8,710,000	5,620,331	14,330,331
2036-2040	9,365,000	4,121,622	13,486,622
2041-2045	13,810,000	1,521,627	15,331,627
	\$ 39,120,000	\$ 18,105,323	\$ 57,225,323

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed ten percent of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2025 was \$151,312,460. Total general obligation debt outstanding at year end was \$39,120,000.

***Defeased Debt***

During the year ended June 30, 2023, the District used existing resources of \$617,493 to retire a portion of the 2017 general obligation bonds. As a result, \$605,000 is now considered defeased and has been removed from the District's long-term obligations.

A bond anticipation note was issued in December 2024 to finance construction costs on the referendum projects. This note was refunded by the 2025 General Obligation Promissory Note dated April 3, 2025.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. FINANCED PURCHASE AGREEMENTS**

The District has acquired fixed assets through lease agreements and is obligated under certain leases that meet the criteria to be accounted for as financed purchases. The gross amount of these assets under right to use assets is \$1,600,332, which is included in capital assets. Accumulated amortization for the lease is \$438,456 of which \$389,866 has been included with the current year depreciation expense. The interest rate ranges from 0% to 5.25%. The following is a schedule, by year of the future minimum lease payment, together with the present value of the net minimum lease payments, as of June 30, 2025.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 390,109	\$ 7,304	\$ 397,413
2027	390,574	4,429	395,003
2028	381,267	1,798	383,065
2029	354,698	59	354,757
	<u>\$ 1,516,648</u>	<u>\$ 13,590</u>	<u>\$ 1,530,238</u>

**G. SHORT-TERM OBLIGATIONS**

The District's short-term debt activity for the year ended June 30, 2025 is as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
\$5,000,000 Tax and Revenue Anticipation Note, issued September 9, 2024, 6.50% interest rate, due June 30, 2025.	\$ -	\$ 900,000	\$ 900,000	\$ -
Total short-term borrowing	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ -</u>

The District has a \$5,000,000 tax and revenue anticipation note from a local bank to be used for operating expenses during the 2024-2025 school year. Borrowing under the agreement is evidenced by a promissory note dated September 9, 2024 bearing interest at 6.50% and maturing on June 30, 2025. The District incurred \$0 of interest during the current year. The agreement does not provide for automatic renewal; any further borrowing would require a new resolution and agreement to be entered into by the District.

**H. OTHER POSTEMPLOYMENT BENEFITS**

The School District of West Salem reports its liability for other postemployment benefits based on an actuarially determined liability for the present value of projected future benefits for retired and active employees in the financial statements. In 2006-2007 fiscal year, the District established the Employee Benefit Trust Fund to set aside funds for postemployment benefits.

On June 30, 2025, the District's net OPEB liability (asset) was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

*Description of the Plan.* The School District of West Salem administers a single employer defined benefit plan that provides postemployment medical benefits to eligible employees and their spouses. Benefits and eligibility for administrators, teachers and support staff are established and amended by the governing body; and include postemployment medical coverage. The plan does not issue stand-alone financial statements.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Funding Policy.* The District established the Employee Benefit Trust Fund to accumulate funds and finance the costs of post-employment benefits. The District has \$140,926 of invested plan assets accumulated for payment of future benefits.

*Contributions.* The employer makes all contributions, and for the year ended June 30, 2025, the District contributed \$128,571 to the Trust.

*Detail of Benefits.* The District will make lump sum contributions into an HRA on behalf of eligible retirees.

Retirees who retire after July 1, 2012: The District will pay a benefit at retirement equal to \$2,000 per year for teachers (\$7,000 per year for Administrators) for a maximum of 30 years of service (15 years for Administrators). Teachers hired before July 1, 2024 and not eligible to retire before July 1, 2039 based on age and years of service are not eligible for this benefit. The teachers and administrators must be enrolled as a retiree with the WRS to be eligible for the OPEB benefit. Supervisors and other District staff with at least ten years of service with the District and enrollment with the WRS as a retiree will receive \$1,000 to \$6,000 for each year of service up to 15 to 30 years of service depending on their position. See the District records for specific amounts per year of service and maximum years of service for each position. The benefits to be used only for eligible health insurance premiums through the District (for a maximum duration of COBRA) or another provider. There is a survivor benefit.

*Employees Covered by Benefit Terms.* Employees participating in the OPEB benefit consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees	8
Active employees - Not Fully Eligible	153
Active employees - Fully Eligible	25
	186
	186

***Net OPEB Liability***

The District's net OPEB liability (asset) of \$1,794,223 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial Assumptions and Other Inputs.* The net OPEB liability (asset) in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3 percent, average, including inflation
Discount rate	4.21 percent
Healthcare cost trend rates	7 percent decreasing to 6.50%, then decreasing by 0.10% per year down to 4.5%, and level thereafter

Mortality rates were based on the Wisconsin 2021 Mortality Table.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The actuarial assumptions used in the June 30, 2023, valuation is based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

*Discount Rate.* The discount rate used to measure the net OPEB liability (asset) was 4.21%. The discount rate is reflective of a 20-year High Grade municipal bond rate.

The current investment allocation of the District's OPEB plan's assets is currently not available.

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
<b>Changes in the Net OPEB Liability</b>			
<b>Balance at 6/30/2023</b>	\$ 2,379,953	\$ 594,810	\$ 1,785,143
<b>Changes for the year:</b>			
Service cost	155,659	-	155,659
Interest	50,779	-	50,779
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(13,891)	-	(13,891)
Changes in assumptions or other inputs	(174,229)	-	(174,229)
Contributions - employer	-	-	-
Net investment income	-	9,237	(9,237)
Benefit payments	(401,849)	(401,849)	-
<b>Net Changes</b>	<b>(383,531)</b>	<b>(392,612)</b>	<b>9,081</b>
<b>Balance at 6/30/2024</b>	<b>\$ 1,996,422</b>	<b>\$ 202,198</b>	<b>\$ 1,794,224</b>

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate.* The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current discount rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
	Total OPEB Liability	\$ 2,085,549	\$ 1,996,422
Fiduciary Net Position	202,199	202,199	202,199
Net OPEB Liability (Asset)	<b>\$ 1,883,350</b>	<b>\$ 1,794,223</b>	<b>\$ 1,705,605</b>

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the Net OPEB Liability (Asset) to Changes in Healthcare Cost Trend Rates.* The following represents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	\$ 1,979,726	\$ 1,996,422	\$ 2,015,549
Fiduciary Net Position	202,199	202,199	202,199
Net OPEB Liability (Asset)	<u>\$ 1,777,527</u>	<u>\$ 1,794,223</u>	<u>\$ 1,813,350</u>

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

For the year ended June 30, 2025, the District recognized an OPEB expense of \$218,161. On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 413,622	\$ (244,677)
Changes of assumptions or other inputs	114,436	(301,896)
Net difference between projected and actual earnings on OPEB plan investments	4,893	-
District contributions subsequent to the measurement date	128,571	-
Total	<u>\$ 661,522</u>	<u>\$ (546,573)</u>

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

\$128,571 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2026	\$ 18,856
2027	17,927
2028	17,230
2029	16,272
2030	16,355
Thereafter	<u>(100,262)</u>
	<u>\$ (13,622)</u>

**I. PENSION PLAN**

**General Information about the Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

**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.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. PENSION PLAN (Continued)**

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.

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

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

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

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. PENSION PLAN (Continued)**

During the reporting period, the WRS recognized \$1,048,533 in contributions from the employer.

Contribution rates as of June 30, 2025, are:

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

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

At June 30, 2025, the District reported a liability (asset) of \$1,212,802 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on a projection of 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 0.07380894%, which was a decrease of 0.00161124% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$1,628,822.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,766,417	\$ (3,539,250)
Net differences between projected and actual earnings on pension plan investments	1,842,918	-
Changes in assumptions	359,862	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,897	(9,542)
Employer contributions subsequent to the measurement date	629,854	-
Total	\$ 6,607,948	\$ (3,548,792)

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. PENSION PLAN (Continued)**

\$629,854 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 ended June 30, 2026. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 729,133
2027	2,513,971
2028	(621,380)
2029	(192,422)
2030	-
Total	\$ 2,429,302

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

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

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

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. PENSION PLAN (Continued)**

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The total pension liability (asset) 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns<sup>1</sup>  
As of December 31, 2024

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

<sup>1</sup>Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocation

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

<sup>3</sup>The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. PENSION PLAN (Continued)**

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

**Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 11,377,676	\$ 1,212,802	\$ (6,009,047)

**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>.

**J. SELF-FUNDED INSURANCE PROGRAM**

On July 28, 2022, the District established a self-funded dental benefit plan for its employees. The Plan administrator, Delta Dental (administrator), is responsible for approval, processing and payment of claims, after which they bill the District for reimbursement. The District is responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30, 2025.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District.

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

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. SELF-FUNDED INSURANCE PROGRAM (Continued)**

On June 30, 2025, the District reported a liability of \$12,181, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. The amounts not reported to the District were determined by the Plan administrator. Changes in the claims liability for the year ended June 30, 2025 are as follows:

Estimated Claims Outstanding July 1	\$	13,709
Current Year Claims and Changes in Estimates		198,045
Claim Payments		(199,573)
Estimated Claims Outstanding June 30	<u>\$</u>	<u>12,181</u>

**K. GOVERNMENTAL FUND BALANCES**

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

**Nonspendable**

Major Fund:

General fund - prepaid expenses	\$	123,109
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Nonmajor Fund:

Special revenue trust fund - prepaid expenses		8,765
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Food service fund - prepaid expenses		1,620
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Total nonspendable fund balance		<u>133,494</u>
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**Restricted**

Major Funds:

Debt service		742,965
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Capital projects		22,710,517
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Nonmajor Funds:

Special revenue trust		899,896
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Food service		194,269
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Community service		21,180
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Capital improvement trust		371,326
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Total restricted fund balances		<u>24,940,153</u>
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**Unassigned**

Major Fund:

General Fund		3,957,103
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Total unassigned fund balance		<u>3,957,103</u>
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Total governmental fund balances	<u>\$</u>	<u>29,030,750</u>
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**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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**NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)**

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**L. PERPETUAL TRUSTS**

The District is a beneficiary of two perpetual trusts at June 30, 2025. These are administered by a third-party trustee and recorded in the District's fiduciary funds.

Balance at beginning of year	\$	266,768
Scholarships awarded		(4,200)
Dues and fees		(4,389)
Net increase in value		24,207
Balance at end of year	\$	282,386

**M. CHANGE IN REPORTING ENTITY**

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

	Reporting Units Affected by Restatements of Beginning Balances						Total
	General Fund	Special Revenue Trust Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Nonmajor Funds	
Fund balances - beginning of year	\$ 3,628,807	\$ 749,112	\$ 1,018,411	\$ 2,475,256	\$ 276,306	\$ 852,526	\$ 9,000,418
Change within financial reporting entity (major to nonmajor fund)	-	(749,112)	-	-	(276,306)	1,025,418	-
Fund balances - beginning of year, restated	\$ 3,628,807	\$ -	\$ 1,018,411	\$ 2,475,256	\$ -	\$ 1,877,944	\$ 9,000,418

**N. CHANGE IN ACCOUNTING PRINCIPLE**

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

A prior period adjustment has been recorded for the change in accounting principle effective July 1, 2024, as follows:

	Reporting Units Affected by Adjustment to Government-Wide Financial Statements
	Governmental Activities
Net position, as previously stated	\$ 36,108,235
Change in accounting principle (GASB 101)	(327,302)
Net position, as restated	\$ 35,780,933

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 3. OTHER INFORMATION**

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**A. RISK MANAGEMENT**

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

**B. RELATED PARTIES**

During the year, the District employed various staff members that are related to District board members or key employees. The amount paid to these employees totaled \$164,646 for the year ended June 30, 2025.

**C. COMMITMENTS AND CONTINGENCIES**

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

Construction Commitments

During the year ended June 30, 2025, the District issued approximately \$20.6 million in general obligation notes related to referendum approved projects for construction of a career and technical education addition with a fitness center, construction of a replacement greenhouse and renovations at the High School; construction of a gymnasium addition and renovations at the Elementary School; district-wide capital maintenance, building systems, safety, security and site improvements; and acquisition of furnishings, fixtures and equipment. As of June 30, 2025, the District had the following contract commitments related to the project:

	Total Contract Commitments	Expenditures Incurred through June 30, 2025
Referendum Project	\$ 7,933,331	\$ 777,642
	\$ 7,933,331	\$ 777,642

Subsequent to year end, the District entered into an additional contract related to this referendum totaling \$17,219,381.

**SCHOOL DISTRICT OF WEST SALEM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025**

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**NOTE 3. OTHER INFORMATION (Continued)**

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**D. LIMITATION OF SCHOOL DISTRICT REVENUES**

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

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

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

The electors of the District approved a referendum in November of 2024 which authorized the District to exceed the revenue limit each year by \$3,500,000 beginning with the 2025-2026 school year, for recurring purposes consisting of maintaining education programming, facilities, and buses and paying salary and other operational expenses.

**E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF WEST SALEM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 8,719,036	\$ 8,719,036	\$ 8,719,036	\$ -
Other local sources	465,850	465,850	471,155	5,305
Interdistrict sources	2,573,926	2,573,926	2,544,378	(29,548)
Intermediate sources	24,275	24,275	14,414	(9,861)
State sources	15,875,823	15,918,929	16,000,892	81,963
Federal sources	386,367	386,367	402,472	16,105
Other sources	83,251	83,251	70,884	(12,367)
<b>Total revenues</b>	<u>28,128,528</u>	<u>28,171,634</u>	<u>28,223,231</u>	<u>51,597</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Regular instruction	9,964,006	10,004,006	10,030,663	(26,657)
Vocational instruction	614,828	612,737	603,558	9,179
Physical instruction	758,954	758,954	755,976	2,978
Other instruction	687,040	687,040	698,561	(11,521)
<b>Total instruction</b>	<u>12,024,828</u>	<u>12,062,737</u>	<u>12,088,758</u>	<u>(26,021)</u>
<b>Support services:</b>				
Pupil services	961,299	961,673	909,640	52,033
Instructional staff services	1,455,888	1,466,810	1,384,018	82,792
General administration services	560,266	571,866	577,677	(5,811)
Building administration services	1,513,472	1,513,532	1,542,831	(29,299)
Business administration services	347,449	347,449	348,162	(713)
Operation and maintenance	2,886,117	2,896,773	2,854,843	41,930
Pupil transportation	929,116	925,374	898,404	26,970
Central services	373,694	373,694	357,922	15,772
Insurance	344,844	344,844	343,137	1,707
Other support services	806,980	1,187,380	967,984	219,396
<b>Total support services</b>	<u>10,179,125</u>	<u>10,589,395</u>	<u>10,184,618</u>	<u>404,777</u>
<b>Nonprogram services</b>				
Purchased instructional service	2,307,528	2,307,528	2,298,429	9,099
Other nonprogram	10,000	10,000	74,326	(64,326)
<b>Total nonprogram</b>	<u>2,317,528</u>	<u>2,317,528</u>	<u>2,372,755</u>	<u>(55,227)</u>
<b>Debt Service</b>				
Principal	371,892	370,667	371,883	(1,216)
Interest	24,979	26,204	11,011	15,193
<b>Total debt service</b>	<u>396,871</u>	<u>396,871</u>	<u>382,894</u>	<u>13,977</u>
<b>Capital outlay</b>	<u>251,716</u>	<u>1,632,640</u>	<u>1,630,871</u>	<u>1,769</u>
<b>Total expenditures</b>	<u>25,170,068</u>	<u>26,999,171</u>	<u>26,659,896</u>	<u>339,275</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,958,460</u>	<u>1,172,463</u>	<u>1,563,335</u>	<u>390,872</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	5,000	395,000	368,465	(26,535)
Proceeds from long-term debt	-	1,395,997	1,395,997	-
Transfer to other funds	(2,873,988)	(2,873,988)	(2,876,392)	2,404
<b>Total other financing sources (uses)</b>	<u>(2,868,988)</u>	<u>(1,082,991)</u>	<u>(1,111,930)</u>	<u>(24,131)</u>
<b>Net change in fund balances</b>	89,472	89,472	451,405	366,741
<b>Fund balance - beginning of year</b>	3,628,807	3,628,807	3,628,807	-
<b>Fund balance - end of year</b>	<u>\$ 3,718,279</u>	<u>\$ 3,718,279</u>	<u>\$ 4,080,212</u>	<u>\$ 366,741</u>

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SPECIAL EDUCATION FUND**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
<b>Revenues:</b>				
Interdistrict sources	\$ 83,994	\$ 83,994	\$ 75,805	\$ (8,189)
Intermediate sources	32,000	32,000	17,929	(14,071)
State sources	1,257,500	1,257,500	1,226,286	(31,214)
Federal sources	646,226	646,226	548,735	(97,491)
<b>Total revenues</b>	<u>2,019,720</u>	<u>2,019,720</u>	<u>1,868,755</u>	<u>(150,965)</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Special instruction	3,564,564	3,564,564	3,466,632	97,932
Other instruction	4,000	4,000	50	3,950
<b>Total instruction</b>	<u>3,568,564</u>	<u>3,568,564</u>	<u>3,466,682</u>	<u>101,882</u>
<b>Support services:</b>				
Pupil services	522,153	522,153	516,317	5,836
Instructional staff services	218,529	218,529	224,214	(5,685)
Business administration services	6,500	6,500	4,492	2,008
Operation and maintenance	-	-	189	(189)
Pupil transportation	161,773	161,773	137,162	24,611
Other support services	-	-	141	(141)
<b>Total support services</b>	<u>908,955</u>	<u>908,955</u>	<u>882,515</u>	<u>26,440</u>
<b>Nonprogram services</b>				
Purchased instructional service	166,189	166,189	145,756	20,433
Other nonprogram	-	-	194	(194)
<b>Total nonprogram</b>	<u>166,189</u>	<u>166,189</u>	<u>145,950</u>	<u>20,239</u>
<b>Total expenditures</b>	<u>4,643,708</u>	<u>4,643,708</u>	<u>4,495,147</u>	<u>148,561</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,623,988)</u>	<u>(2,623,988)</u>	<u>(2,626,392)</u>	<u>(2,404)</u>
<b>Other financing sources (uses):</b>				
Transfer from other funds	2,623,988	2,623,988	2,626,392	2,404
<b>Total other financing sources (uses)</b>	<u>2,623,988</u>	<u>2,623,988</u>	<u>2,626,392</u>	<u>2,404</u>
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM**  
**EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS**  
**AND GAAP REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2025**

	General Fund	Special Education Fund
<b>A) Sources/Inflows of Resources:</b>		
Actual amounts of total revenues from the budgetary comparison schedules	\$ 28,223,231	\$ 1,868,755
Reclassification: Special Education Fund revenues are reclassified to the General Fund, required for GAAP reporting	1,868,755	(1,868,755)
General Fund revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 30,091,986	\$ -
<b>B) Uses/Outflows of Resources:</b>		
Actual amounts of total expenditures from the budgetary comparison schedules	\$ 26,659,896	\$ 4,495,147
Reclassification: Special Education Fund expenditures are reclassified to the General Fund, required for GAAP reporting	4,495,147	(4,495,147)
General Fund expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 31,155,043	\$ -

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM  
DISTRICT NET OPEB LIABILITY SCHEDULES  
For the Year Ended June 30, 2025**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>									
Service costs	\$ 155,659	\$ 200,748	\$ 196,331	\$ 211,177	\$ 175,111	\$ 152,988	\$ 158,272	\$ 190,745	\$ 190,745
Interest	50,779	62,134	54,979	60,073	87,162	80,012	76,029	60,580	65,345
Changes in benefit terms	-	(180,055)	-	-	-	23,136	-	-	-
Difference between expected and actual experience	(13,891)	(278,332)	279,163	39,958	-	139,635	-	263,632	-
Changes in assumptions or other inputs	(174,229)	(13,125)	-	(141,480)	151,335	52,310	(27,594)	(53,480)	-
Benefit payments	(401,849)	(145,094)	(284,323)	(493,048)	(11,077)	(193,874)	(291,429)	(293,194)	(536,683)
Net change in total OPEB	(383,531)	(353,724)	246,150	(323,320)	402,531	254,207	(84,722)	168,283	(280,593)
Total OPEB Liability-Beginning	2,379,953	2,733,677	2,487,527	2,810,847	2,408,316	2,154,109	2,238,831	2,070,548	2,351,141
Total OPEB Liability-Ending (a)	<u>\$ 1,996,422</u>	<u>\$ 2,379,953</u>	<u>\$ 2,733,677</u>	<u>\$ 2,487,527</u>	<u>\$ 2,810,847</u>	<u>\$ 2,408,316</u>	<u>\$ 2,154,109</u>	<u>\$ 2,238,831</u>	<u>\$ 2,070,548</u>
<b>Fiduciary Net Position</b>									
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,352	\$ 206,611	\$ 365,046	\$ 380,251
Net investment income	9,238	10,005	15,789	22,839	26,157	17,539	17,423	24,301	23,074
Benefit payments	(401,849)	(145,094)	(284,323)	(493,048)	(11,077)	(193,874)	(291,429)	(293,194)	(536,683)
Administrative expense	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	453,584	-	-	-	-
Net change in fiduciary net position	(392,611)	(135,089)	(268,534)	(470,209)	468,664	(140,983)	(67,395)	96,153	(133,358)
Fiduciary Net Position-Beginning	594,810	729,899	998,433	1,468,642	999,978	1,140,961	1,208,356	1,112,203	1,245,561
Fiduciary Net Position-Ending (b)	<u>\$ 202,199</u>	<u>\$ 594,810</u>	<u>\$ 729,899</u>	<u>\$ 998,433</u>	<u>\$ 1,468,642</u>	<u>\$ 999,978</u>	<u>\$ 1,140,961</u>	<u>\$ 1,208,356</u>	<u>\$ 1,112,203</u>
<b>Net OPEB Liability (Asset)</b>									
Net OPEB Liability (Asset) - ending (a) - (b)	<u>\$ 1,794,223</u>	<u>\$ 1,785,143</u>	<u>\$ 2,003,778</u>	<u>\$ 1,489,094</u>	<u>\$ 1,342,205</u>	<u>\$ 1,408,338</u>	<u>\$ 1,013,148</u>	<u>\$ 1,030,475</u>	<u>\$ 958,345</u>
<b>Fiduciary net position as a percentage of the Total OPEB Liability</b>	10.13%	24.99%	26.70%	40.14%	52.25%	41.52%	52.97%	53.97%	53.72%
<b>Covered-Employee Payroll</b>	\$ 12,557,706	\$ 12,557,706	\$ 11,493,129	\$ 11,493,129	\$ 10,416,395	\$ 10,416,395	\$ 8,506,683	\$ 8,506,683	\$ 7,458,630
<b>Net OPEB Liability as a percentage of covered-employee payroll</b>	14.29%	14.22%	17.43%	12.96%	12.89%	13.52%	11.91%	12.11%	12.85%

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM  
DISTRICT NET OPEB LIABILITY SCHEDULES  
For the Year Ended June 30, 2025**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution (ADC)	\$ 241,634	\$ 269,544	\$ 269,544	\$ 257,813	\$ 257,813	\$ 219,840	\$ 219,840	\$ 290,599	\$ 290,599
Contributions in Relation to the ADC	-	-	-	-	-	35,352	206,611	365,046	380,251
Contribution Deficiency/(Excess)	<u>\$ 241,634</u>	<u>\$ 269,544</u>	<u>\$ 269,544</u>	<u>\$ 257,813</u>	<u>\$ 257,813</u>	<u>\$ 184,488</u>	<u>\$ 13,229</u>	<u>\$ (74,447)</u>	<u>\$ (89,652)</u>
<b>Covered-Employee Payroll</b>	\$ 12,557,706	\$ 12,557,706	\$ 11,493,129	\$ 11,493,129	\$ 10,416,395	\$ 10,416,395	\$ 8,506,683	\$ 8,506,683	\$ 7,458,630
<b>Contributions as a Percentage of Covered-Employee Payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	2.43%	4.29%	5.10%

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM  
WISCONSIN RETIREMENT SYSTEM SCHEDULES  
For the Year Ended June 30, 2025**

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

Last 10 Calendar Years\*

Year ended December 31,	District's proportionate share of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	District's covered- employee payroll	Collective net pension liability (asset) as a percentage of District's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.07380894%	\$ 1,212,802	\$ 15,196,151	7.98%	98.79%
2023	0.07542018%	1,121,351	14,564,228	7.70%	98.85%
2022	0.07499773%	3,973,157	13,602,915	29.21%	95.72%
2021	(0.07502713%)	(6,047,324)	13,121,918	(46.09%)	(106.02%)
2020	(0.07368761%)	(4,600,419)	12,312,997	(37.36%)	(105.26%)
2019	(0.07167119%)	(2,311,006)	11,831,850	(19.53%)	(102.96%)
2018	0.06951287%	2,473,050	10,996,566	22.49%	96.45%
2017	(0.06848447%)	(2,033,385)	10,056,178	(20.22%)	(102.93%)
2016	0.07020781%	578,680	9,926,691	5.83%	99.12%
2015	0.07060417%	1,147,304	9,811,546	11.69%	98.20%

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

**Schedule of Contributions**

Last 10 Fiscal Years\*\*

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ 1,089,586	\$ (1,089,586)	\$ -	\$ 15,725,436	6.93%
2024	994,190	(994,190)	-	14,564,228	6.83%
2023	884,190	(884,190)	-	13,602,915	6.50%
2022	885,733	(281,120)	-	13,121,918	6.75%
2021	832,459	(285,147)	-	12,312,997	6.76%
2020	788,001	(278,829)	-	11,831,850	6.66%
2019	741,781	(741,781)	-	10,996,566	6.75%
2018	683,822	(683,822)	-	10,056,178	6.80%
2017	655,583	(655,583)	-	9,926,691	6.60%
2016	667,183	(667,183)	-	9,811,546	6.80%

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

See notes to required supplementary information.

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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**NOTE 1. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

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

Fund	Excess Expenditures
General Fund:	
Intruction	\$ 26,021
Nonprogram	55,227

The excess expenditures were financed from favorable variances in other functional categories and from fund balance.

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**NOTE 2. NET OPEB LIABILITY SCHEDULES**

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

*Actuarial assumptions.* Key methods and assumptions used to calculate actuarially determined contributions (ADC) were as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	30 year Level \$
Discount Rate	4.21%
Inflation	2.50%

*Changes of Benefit Terms.* There were no changes of benefit terms during the year.

*Changes of Assumptions.* Changes of assumption include increasing the discount rate from 2.25% to 4.21%

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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**NOTE 3. WISCONSIN RETIREMENT SYSTEM SCHEDULES**

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

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

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

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

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

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
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%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

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

**SCHOOL DISTRICT OF WEST SALEM**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF WEST SALEM  
COMBINING BALANCE SHEET  
GENERAL FUND  
As of June 30, 2025**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>Assets</b>				
Cash and investments	\$ 739,576	\$ -	\$ -	\$ 739,576
Receivables:				
Taxes	3,597,730	-	-	3,597,730
Accounts	378,221	-	-	378,221
Due from other funds	69,285	1,841	(57,597)	13,529
Due from other governments	77,088	86,132	-	163,220
Prepaid expenses	123,109	-	-	123,109
<b>Total assets</b>	<u>\$ 4,985,009</u>	<u>\$ 87,973</u>	<u>\$ (57,597)</u>	<u>\$ 5,015,385</u>
<b>Liabilities</b>				
Accounts payable	\$ 42,326	\$ 103	\$ -	\$ 42,429
Accrued liabilities:				
Payroll, payroll taxes, insurance	749,918	12,980	-	762,898
Due to other funds	111,278	74,890	(57,597)	128,571
Unearned revenue	1,275	-	-	1,275
<b>Total liabilities</b>	<u>904,797</u>	<u>87,973</u>	<u>(57,597)</u>	<u>935,173</u>
<b>Fund balance</b>				
Nonspendable	123,109	-	-	123,109
Unassigned	3,957,103	-	-	3,957,103
<b>Total fund balance</b>	<u>4,080,212</u>	<u>-</u>	<u>-</u>	<u>4,080,212</u>
<b>Total liabilities     and fund balance</b>	<u>\$ 4,985,009</u>	<u>\$ 87,973</u>	<u>\$ (57,597)</u>	<u>\$ 5,015,385</u>

**SCHOOL DISTRICT OF WEST SALEM**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GENERAL FUND**

**For the Year Ended June 30, 2025**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>Revenues:</b>				
Property taxes	\$ 8,719,036	\$ -	\$ -	\$ 8,719,036
Other local sources	471,155	-	-	471,155
Interdistrict sources	2,544,378	75,805	-	2,620,183
Intermediate sources	14,414	17,929	-	32,343
State sources	16,000,892	1,226,286	-	17,227,178
Federal sources	402,472	548,735	-	951,207
Other sources	70,884	-	-	70,884
<b>Total revenues</b>	<b>28,223,231</b>	<b>1,868,755</b>	<b>-</b>	<b>30,091,986</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular instruction	10,030,663	-	-	10,030,663
Vocational instruction	603,558	-	-	603,558
Physical instruction	755,976	-	-	755,976
Special instruction	-	3,466,632	-	3,466,632
Other instruction	698,561	50	-	698,611
<b>Total instruction</b>	<b>12,088,758</b>	<b>3,466,682</b>	<b>-</b>	<b>15,555,440</b>
<b>Support services:</b>				
Pupil services	909,640	516,317	-	1,425,957
Instructional staff services	1,384,018	224,214	-	1,608,232
General administration services	577,677	-	-	577,677
Building administration services	1,542,831	-	-	1,542,831
Business services	348,162	4,492	-	352,654
Operation and maintenance	2,854,843	189	-	2,855,032
Pupil transportation	898,404	137,162	-	1,035,566
Central services	357,922	-	-	357,922
Insurance	343,137	-	-	343,137
Other support services	967,984	141	-	968,125
<b>Total support services</b>	<b>10,184,618</b>	<b>882,515</b>	<b>-</b>	<b>11,067,133</b>
<b>Nonprogram services</b>				
Purchased instructional service	2,298,429	145,756	-	2,444,185
Other nonprogram	74,326	194	-	74,520
<b>Total nonprogram</b>	<b>2,372,755</b>	<b>145,950</b>	<b>-</b>	<b>2,518,705</b>
<b>Debt Service</b>				
Principal	371,883	-	-	371,883
Interest	11,011	-	-	11,011
<b>Total debt service</b>	<b>382,894</b>	<b>-</b>	<b>-</b>	<b>382,894</b>
<b>Capital outlay</b>				
<b>Total expenditures</b>	<b>26,659,896</b>	<b>4,495,147</b>	<b>-</b>	<b>31,155,043</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,563,335</b>	<b>(2,626,392)</b>	<b>-</b>	<b>(1,063,057)</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	368,465	-	-	368,465
Proceeds from long-term debt	1,395,997	-	-	1,395,997
Transfer from other funds	-	2,626,392	(2,626,392)	-
Transfer to other funds	(2,876,392)	-	2,626,392	(250,000)
<b>Total other financing sources (uses)</b>	<b>(1,111,930)</b>	<b>2,626,392</b>	<b>-</b>	<b>1,514,462</b>
<b>Net change in fund balances</b>	<b>451,405</b>	<b>-</b>	<b>-</b>	<b>451,405</b>
<b>Fund balances - beginning of year</b>	<b>3,628,807</b>	<b>-</b>	<b>-</b>	<b>3,628,807</b>
<b>Fund balances - end of year</b>	<b>\$ 4,080,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,080,212</b>

**SCHOOL DISTRICT OF WEST SALEM  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of June 30, 2025**

	Special Revenue Trust Fund	Food Service Fund	Community Service Fund	Capital Improvement Trust Fund	Total Nonmajor Gov't. Funds
<b>Assets</b>					
Cash and investments	\$ 903,964	\$ 204,593	\$ 21,032	\$ 461,526	\$ 1,591,115
Accounts receivable	381	-	148	-	529
Due from other funds	-	105	-	-	105
Due from other governments	-	24,374	-	-	24,374
Prepaid expenses	8,765	1,620	-	-	10,385
<b>Total assets</b>	<u>\$ 913,110</u>	<u>\$ 230,692</u>	<u>\$ 21,180</u>	<u>\$ 461,526</u>	<u>\$ 1,626,508</u>
<b>Liabilities</b>					
Accounts payable	\$ 2,053	\$ 234	\$ -	\$ 90,200	\$ 92,487
Accrued payroll liabilities	2,396	-	-	-	2,396
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	34,569	-	-	34,569
<b>Total liabilities</b>	<u>4,449</u>	<u>34,803</u>	<u>-</u>	<u>90,200</u>	<u>129,452</u>
<b>Fund balances</b>					
Nonspendable	8,765	1,620	-	-	10,385
Restricted	899,896	194,269	21,180	371,326	1,486,671
<b>Total fund balances</b>	<u>908,661</u>	<u>195,889</u>	<u>21,180</u>	<u>371,326</u>	<u>1,497,056</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 913,110</u>	<u>\$ 230,692</u>	<u>\$ 21,180</u>	<u>\$ 461,526</u>	<u>\$ 1,626,508</u>

**SCHOOL DISTRICT OF WEST SALEM**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	Formerly Major Fund Special Revenue Trust Fund	Formerly Major Fund Food Service Fund	Community Service Fund	Capital Improvement Trust Fund	Total Nonmajor Gov't. Funds
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ 160,000	\$ -	\$ 160,000
Other local sources	903,495	711,411	18,808	43,734	1,677,448
Interdistrict sources	-	24,374	-	-	24,374
State sources	-	18,329	-	-	18,329
Federal sources	-	463,303	-	-	463,303
Other sources	14,085	17,293	-	-	31,378
<b>Total revenues</b>	<u>917,580</u>	<u>1,234,710</u>	<u>178,808</u>	<u>43,734</u>	<u>2,374,832</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular instruction	579	-	-	-	579
Other instruction	523,693	-	-	-	523,693
<b>Total instruction</b>	<u>524,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>524,272</u>
<b>Support services:</b>					
Pupil services	5,545	-	-	-	5,545
Instructional staff services	640	-	-	-	640
General administrative services	-	-	28,669	-	28,669
Building administrative services	43,753	-	-	-	43,753
Operation and maintenance	-	-	16,274	769,887	786,161
Pupil transportation	140,718	-	-	-	140,718
Other support services	3,323	-	-	-	3,323
Community service	-	-	117,732	-	117,732
Food service	-	1,307,931	-	-	1,307,931
<b>Total support services</b>	<u>193,979</u>	<u>1,307,931</u>	<u>162,675</u>	<u>769,887</u>	<u>2,434,472</u>
<b>Nonprogram:</b>					
Other nonprogram	29,550	-	-	-	29,550
<b>Total nonprogram</b>	<u>29,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,550</u>
<b>Capital outlay</b>	<u>10,230</u>	<u>7,196</u>	<u>-</u>	<u>-</u>	<u>17,426</u>
<b>Total expenditures</b>	<u>758,031</u>	<u>1,315,127</u>	<u>162,675</u>	<u>769,887</u>	<u>3,005,720</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>159,549</u>	<u>(80,417)</u>	<u>16,133</u>	<u>(726,153)</u>	<u>(630,888)</u>
<b>Other financing sources (uses):</b>					
Transfer from (to) other funds	-	-	-	250,000	250,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
<b>Net change in fund balances</b>	<u>159,549</u>	<u>(80,417)</u>	<u>16,133</u>	<u>(476,153)</u>	<u>(380,888)</u>
<b>Fund balances - beginning of year, as previously stated</b>	-	-	5,047	847,479	852,526
Change within financial reporting entity (major to nonmajor fund)	749,112	276,306	-	-	1,025,418
<b>Fund balances - beginning of year, as restated</b>	<u>749,112</u>	<u>276,306</u>	<u>5,047</u>	<u>847,479</u>	<u>1,877,944</u>
<b>Fund balances - end of year</b>	<u>\$ 908,661</u>	<u>\$ 195,889</u>	<u>\$ 21,180</u>	<u>\$ 371,326</u>	<u>\$ 1,497,056</u>