



**JOHNSON BLOCK**  
**CPAs**



**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

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

**SCHOOL DISTRICT OF MILTON**

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

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## INDEPENDENT AUDITOR'S REPORT

To the School Board  
School District of Milton  
Milton, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with GAAS and GAS, we:

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

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



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

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

### ***Supplementary Information***

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

The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 non-major 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 also issue a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 2, 2025

**SCHOOL DISTRICT OF MILTON**  
**Management’s Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

The discussion and analysis of the School District of Milton (the “District”) financial information provides an overall review of financial activities for the fiscal year. The analysis focuses on school district financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. It should be read in conjunction with the District’s financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Total governmental assets of the District are \$107,997,169 and total deferred outflows of resources are \$12,297,180. Total governmental net position after deducting liabilities and deferred inflows of resources is \$53,692,766.

In terms of general fund operations, the District had an Excess of Revenues and Other Sources over Expenditures and Other Uses of \$254,359. This increased our fund balance from \$11,999,502 at the beginning of the year to \$12,253,861 at year-end. This fund balance is approximately 23% of our general fund 2024-2025 actual expenditures. The percentage of fund balance held can be viewed in the range of healthy, yet not excessive.

The general fund (Fund 10) reported an increase in fund balance of \$254,359 at the end of the fiscal year. The food service fund (Fund 50) experienced revenues that were more than expenditures by \$16,857 and increased the food service fund balance to \$874,877. The aforementioned numbers are before the full accrual basis adjustments. On a full accrual basis, expenditures exceeded revenues by \$9,838 and fund balance was decreased to \$1,020,342.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the financial report consists of three parts: management’s discussion and analysis, basic financial statements (district-wide and fund statements) including notes to the financial statements and other required supplementary information.

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

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

**SCHOOL DISTRICT OF MILTON**  
**Management's Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

The notes to the financial statement provide further explanation of some of the information in the statements and provide additional disclosures giving statement users more a complete picture of the District's financial activities and position.

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

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

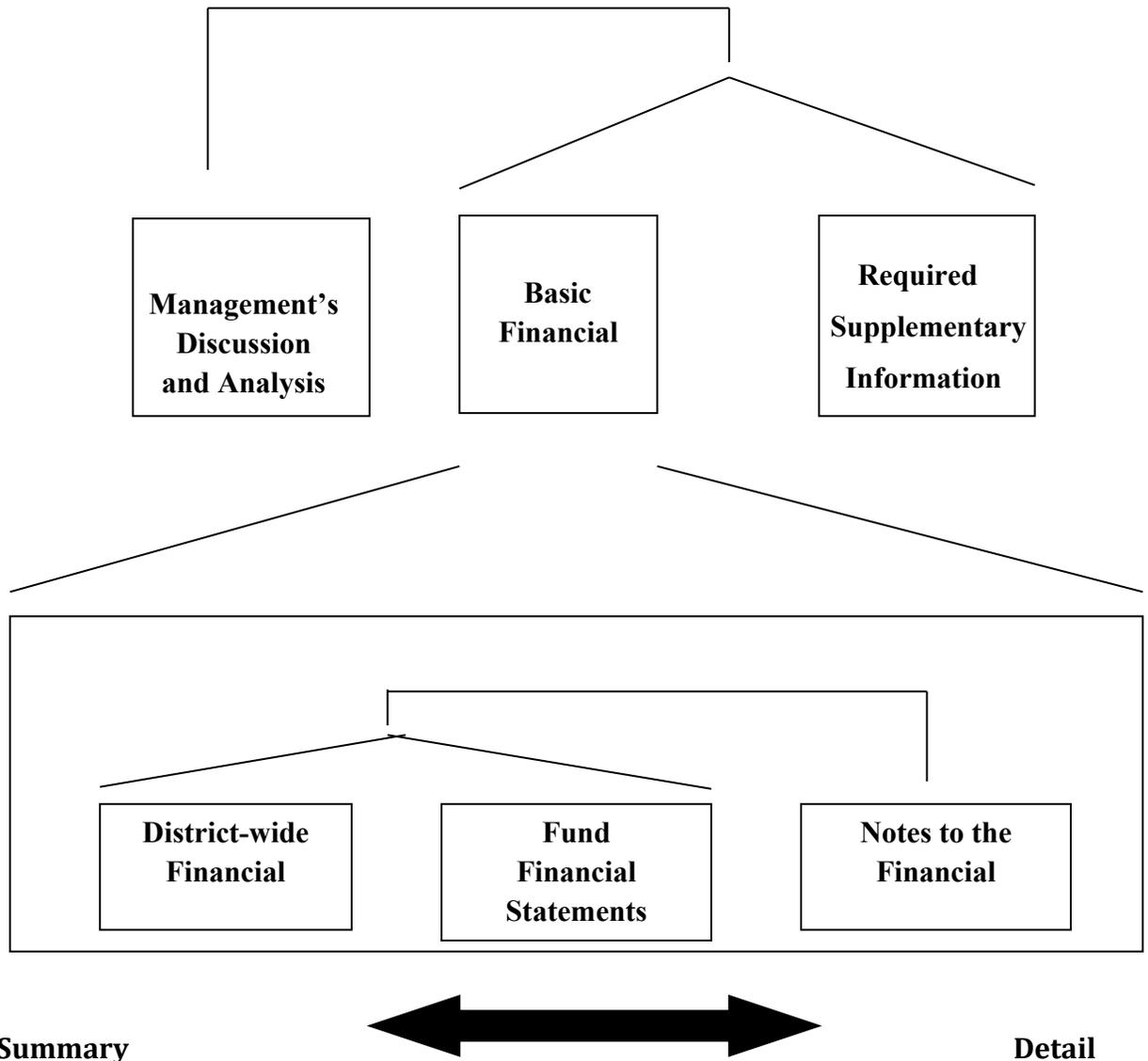


Figure A-2 summarizes the major features of the District's financial statement, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**SCHOOL DISTRICT OF MILTON**  
**Management’s Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**Major Features of the District-wide and Fund Financial Statements**

FIGURE A-2	District Wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire District (Except fiduciary funds).	The activities of the District that are not fiduciary, such as instructional, support services, and community services.	Activities the District operates similar to private business. The District’s food service program is its only proprietary fund.	Assets held by the District on behalf of someone else.
Required financial Statements	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
Basis of accounting and measurement focus	Accrual accounting  Economic resources focus	Modified accrual accounting  Current financial resources focus	Accrual accounting  Economic resources focus	Accrual accounting  Economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital; short-term and long-term.	All assets and liabilities, both financial and capital; short-term and long-term.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received or paid.

**SCHOOL DISTRICT OF MILTON**  
**Management’s Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District’s *Net Position* and how they have changed. Net Position, the difference between the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District’s overall financial position.

- Increases or decreases in the District’s Net Position are one indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District, additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District’s activities are shown as governmental activities.

Most of the District’s basic services are included here, such as regular and special education, transportation, support services, community programs and administration. Property taxes and state formula aid finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District’s *funds*, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (for example-paying its long-term debt), or to show that it is properly using certain revenues (for example-capital project funds).

The District has the following type of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Governmental fund information does not report on long-term commitments as they are reported on the district-wide statements. Therefore, an explanation of the differences between the governmental funds and the district-wide statements is included either at the bottom of the governmental funds statements or as a separate statement.

**SCHOOL DISTRICT OF MILTON**  
**Management’s Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**FINANCIAL ANALYSES**

**Statement of Net Position**

Table 1 provides a summary of the District’s Net Position for the period ended June 30, 2025. The Food Service Net Position is restricted for food service operations. The calculation of Net Position uses historical costs for facilities that may not reflect the fair value. The facilities are in fair to good condition, as we have appropriated annually for preventative maintenance. However, dollars available for such appropriation have not met total identified needs and will require future investment.

Table 1						
Condensed Statement of Net Position						
(in millions of dollars)						
	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>School District</u>	
	2025	2024	2025	2024	2025	2024
Current & other assets	\$ 25.2	\$ 21.6	\$ 1.0	\$ 0.9	\$ 26.2	\$ 22.5
Capital assets	82.7	82.8	0.2	0.2	82.9	83.0
Total Assets	<u>\$ 107.9</u>	<u>\$ 104.4</u>	<u>\$ 1.2</u>	<u>\$ 1.1</u>	<u>\$ 109.1</u>	<u>\$ 105.5</u>
Deferred outflows	<u>\$ 12.3</u>	<u>\$ 18.4</u>	<u>\$ 0.2</u>	<u>\$ 0.3</u>	<u>\$ 12.5</u>	<u>\$ 18.7</u>
Long-term debt outstanding	\$ 46.0	\$ 45.5	\$ -	\$ -	\$ 46.0	\$ 45.5
Other liabilities	10.0	10.5	0.2	0.1	10.2	10.6
Total Liabilities	<u>\$ 56.0</u>	<u>\$ 56.0</u>	<u>\$ 0.2</u>	<u>\$ 0.1</u>	<u>\$ 56.2</u>	<u>\$ 56.1</u>
Deferred inflows	<u>\$ 10.5</u>	<u>\$ 15.4</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ 10.7</u>	<u>\$ 15.6</u>
Net Investment in						
Capital Assets	\$ 34.9	\$ 34.1	\$ 0.2	\$ 0.2	\$ 35.1	\$ 34.3
Restricted	10.0	6.1	-	-	10.0	6.1
Unrestricted (deficit)	8.8	11.2	0.8	0.9	9.6	12.1
Total Net Position	<u>\$ 53.7</u>	<u>\$ 51.4</u>	<u>\$ 1.0</u>	<u>\$ 1.1</u>	<u>\$ 54.7</u>	<u>\$ 52.5</u>

In governmental activities, the largest portion of the District’s Net Position is its investment in capital assets (e.g. land, buildings and equipment), less related outstanding debt used to acquire those assets. These assets are used to provide services to students and consequently are not available for future spending.

**SCHOOL DISTRICT OF MILTON**  
**Management's Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

Table 2 shows the changes in Net Position for the fiscal year ended June 30, 2025 from all governmental and business-type activities. As shown below, general revenues provide about 79% of the funding for governmental activities. The District relies on property taxes for 36% of its governmental activity revenue.

<b>Table 2</b>						
<b>Change in Net Position</b>						
(in millions of dollars)						
	Governmental <u>Activities</u>		Business-type <u>Activities</u>		Total <u>School District</u>	
	2025	2024	2025	2024	2025	2024
General Revenues:						
Property taxes	\$ 21.7	\$ 22.7	\$ -	\$ -	\$ 21.7	\$ 22.7
State formula aid	25.3	24.5	-	-	25.3	24.5
Other	0.8	0.6	-	-	0.8	0.6
Total general revenues	<u>47.8</u>	<u>47.8</u>	<u>-</u>	<u>-</u>	<u>47.8</u>	<u>47.8</u>
Program revenues:						
Charges for service	5.8	5.2	0.7	0.7	6.5	5.9
Operating Grants and Contributions	6.5	6.6	0.6	0.7	7.1	7.3
Capital Grants and Contributions	0.7	-	-	-	0.7	-
Total program revenues	<u>13.0</u>	<u>11.8</u>	<u>1.3</u>	<u>1.4</u>	<u>14.3</u>	<u>13.2</u>
Total revenues	<u>60.8</u>	<u>59.6</u>	<u>1.3</u>	<u>1.4</u>	<u>62.1</u>	<u>61.0</u>
Program Expenses:						
Instruction	26.7	21.9	-	-	26.7	21.9
Pupil & instructional services	5.5	4.2	-	-	5.5	4.2
Administration and business	4.2	3.0	-	-	4.2	3.0
Maintenance and operations	4.3	3.8	-	-	4.3	3.8
Transportation	2.4	2.3	-	-	2.4	2.3
Community service	0.2	0.1	-	-	0.2	0.1
Non-program services	4.8	4.6	-	-	4.8	4.6
Other	8.4	8.1	1.3	1.1	9.7	9.2
Total Expenses	<u>56.5</u>	<u>48.0</u>	<u>1.3</u>	<u>1.1</u>	<u>57.8</u>	<u>49.1</u>
Special Item - Gain (Loss) on Disposal	(0.1)	-			(0.1)	-
Change in Net Position	4.2	11.6	-	0.3	4.2	11.9
Beginning Net Position, as restated	49.5	39.8	1.0	0.8	50.5	40.6
Ending Net Position	<u>\$ 53.7</u>	<u>\$ 51.4</u>	<u>\$ 1.0</u>	<u>\$ 1.1</u>	<u>\$ 54.7</u>	<u>\$ 52.5</u>

**SCHOOL DISTRICT OF MILTON**  
**Management’s Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**Capital Asset and Debt Administration**

Capital Assets:

At the end of the 2025 fiscal year, the District had invested approximately \$130.8 million in a broad range of capital assets, including buildings, sites, library books, and equipment (see Table 3). Additional information about capital assets can be found in Note 4. Total accumulated depreciation on these assets was \$47.9 million for governmental activities and \$0.1 million for business-type activities.

- Asset acquisition for governmental activities totaled \$5,193,289.
- The District recognized depreciation expense of \$5,193,147 for governmental activities and \$14,660 for the food service program during the fiscal year.
- Major capital asset additions for the year included: grandstand project, baseball field project, and cooling system.

**Table 3**  
**Capital Assets**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>School District</u>	
	2025	2024	2025	2024	2025	2024
Land & improvements	\$ 6.1	\$ 5.7	\$ -	\$ -	\$ 6.1	\$ 5.7
Building & building improvements	113.3	111.2	-	-	113.3	111.2
Equipment & furniture	10.8	8.5	0.3	0.3	11.1	8.8
Construction work in progress	0.3	0.9	-	-	0.3	0.9
Accumulated depreciation	(47.9)	(43.5)	(0.1)	(0.1)	(48.0)	(43.6)
<b>Total</b>	<b>\$ 82.6</b>	<b>\$ 82.8</b>	<b>\$ 0.2</b>	<b>\$ 0.2</b>	<b>\$ 82.8</b>	<b>\$ 83.0</b>

Long-Term Debt:

At year-end, the District had \$42,615,000 in general obligation bonds and \$2,317,417 in financed purchases outstanding. Additional information on long-term obligations can be found in Note 7.

Other Liabilities:

The Other Post-Employment Benefits (OPEB) Plan and Supplemental Pension Benefit Plan’s benefit terms were revised in 2023-2024 fiscal year. These changes reflect significant modifications made by the District to plan provisions and eligibilities that impacted all classification. Additional information on the Supplemental Pension liabilities and the OPEB liabilities can be found in Note 9 and Note 10.

**SCHOOL DISTRICT OF MILTON**  
**Management's Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**FUND SUMMARY**

**General Fund**

The General Fund, the main operating fund of the District remains in a financially stable condition. Revenues were greater than expenditures by \$254,359. The current general fund balance represents approximately 23% of expenditures.

Approximately 30% of revenues come from property taxes, which are guaranteed by the County of Rock and County of Jefferson. The Board of Education certifies taxes in November to the municipal clerks. The clerks pay the District's proportionate share of collections in January and February. The balance of the taxes is then paid to the County by July 31 and remitted to the School District of Milton in August. This year taxes receivable at year-end was \$5,746,184.

The District adopts an Interim Budget for the Annual Meeting of the electors in August. The Original Budget is adopted in October when the final revenue limit calculations are completed. The Final Budget is adopted after final adjustments are calculated at year-end. The Original 2024-2025 Budget levied at the maximum allowable amount under the revenue limit. The Board of Education approved general fund (fund 10 and fund 27) revenues at \$52,455,164 and expenditures at \$51,819,379 before operating transfers out which resulted in a balanced budget, the Original Budget had anticipated expenditures not to exceed revenues.

**Debt Service Fund**

The Debt Service Fund had a fund balance at year-end of \$3,953,080. This balance is used to pay debt service principal and interest payments due in the fall through December 31, which is prior to receiving our first property tax payment in January. Debt service payments come mainly from property taxes and any interest earned on those taxes. Any excess fund balance is the result of additional interest earnings over budget and will be used to lower the property tax levy in future years. The fund balance is restricted and can only be used for debt service payments.

The District's current Moody's Bond Rating is Aa3 (May 2021). The District's current debt limit is \$330,268,360 (6/30/2025) and current bonds payable principal amount outstanding is \$42,615,000, leaving a margin of indebtedness of \$287,653,360.

**SCHOOL DISTRICT OF MILTON**  
**Management's Discussion and Analysis (MD&A Statement)**  
**June 30, 2025**

**Balance of Governmental Funds**

The balance of the governmental funds is either funded in part by grants or reliant on the general fund for revenue sources. They are listed in the body of the audit statement.

**Factors Bearing on District's Future**

On November 3, 2020, the District passed a referendum to allow the District budget to exceed the revenue limit by \$2,500,000 per year for five years. The \$2,500,000 level amount asked for and supported by the electorate is used to sustain the District budget for the next five years. Inflationary components (wages, benefits, transportation, utilities, etc.), coupled with additional demands on the instructional and Building and Grounds budgets cause continued analysis in future years. The state 2021-2023 biennial budget provided \$0 per pupil increases in the revenue limit both years. This compounded the impact of inflationary adjustments and created additional challenges to resources not identified in the original referendum planning. The state 2023-25 biennial budget provided an update to the low revenue ceiling and a \$325 per pupil increase under the revenue limit, but future revenue forecasts continue to show that expenditures outpace the rate of state revenue growth. On November 6, 2024, the District passed a succeeding recurring referendum question for \$5,000,000, that will take effect during the 2026-27 school year. With this authority in place in the coming years, the District is better positioned to sustain current programming and will continue to be monitored as the next state budget cycle is debated in Madison this Spring.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Business Services, School District of Milton, 448 E. High Street, Milton, WI 53563 at (608) 868-9200.

**School District of Milton  
Milton, Wisconsin**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 11,139,270	\$ 945,608	\$ 12,084,878
Restricted Cash and Investments	7,860,969	-	7,860,969
Receivables:			
Taxes	5,746,184	-	5,746,184
Accounts	1,143	9,248	10,391
Prepaid Expenses	34,823	-	34,823
Due from Fiduciary Funds	305	-	305
Due from Other Governments	391,426	-	391,426
Inventories	-	11,170	11,170
Total Current Assets	<u>25,174,120</u>	<u>966,026</u>	<u>26,140,146</u>
Noncurrent Assets:			
Net SBITA Assets	168,566	10,189	178,755
Land and Construction Work in Progress	938,457	-	938,457
Land Improvements	5,469,019	-	5,469,019
Buildings and Building Improvements	113,328,039	-	113,328,039
Furniture and Equipment	10,827,165	285,789	11,112,954
Less: Accumulated Depreciation	(47,908,197)	(120,104)	(48,028,301)
Net Capital Assets	<u>82,654,483</u>	<u>165,685</u>	<u>82,820,168</u>
Total Noncurrent Assets	<u>82,823,049</u>	<u>175,874</u>	<u>82,998,923</u>
Total Assets	<u>107,997,169</u>	<u>1,141,900</u>	<u>109,139,069</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred OPEB Outflows	1,531,019	21,201	1,552,220
Deferred Pension Outflows	10,637,205	172,341	10,809,546
Deferred Pension Stipend Outflows	128,956	-	128,956
Total Deferred Outflows of Resources	<u>12,297,180</u>	<u>193,542</u>	<u>12,490,722</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	350,671	-	350,671
Accrued Liabilities:			
Payroll and Related Items	1,785,379	-	1,785,379
Interest	502,115	396	502,511
Deposits Payable	2,604	81,646	84,250
Current Portion of SBITA Liability	-	4,767	4,767
Current Portion of Long-Term Obligations	4,039,728	4,141	4,043,869
Total Current Liabilities	<u>6,680,497</u>	<u>90,950</u>	<u>6,771,447</u>
Noncurrent Liabilities:			
Net Pension Liability	1,966,073	31,855	1,997,928
Noncurrent Portion of SBITA Liability	-	4,961	4,961
Noncurrent Portion of Long-Term Obligations	45,935,063	12,569	45,947,632
Supplemental Pension Liability	246,694	-	246,694
Net OPEB Liability	1,237,452	17,136	1,254,588
Total Noncurrent Liabilities	<u>49,385,282</u>	<u>66,521</u>	<u>49,451,803</u>
Total Liabilities	<u>56,065,779</u>	<u>157,471</u>	<u>56,223,250</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred OPEB Inflows	4,649,439	64,383	4,713,822
Deferred Pension Inflows	5,755,340	93,246	5,848,586
Deferred Pension Stipend Inflows	131,025	-	131,025
Total Deferred Inflows of Resources	<u>10,535,804</u>	<u>157,629</u>	<u>10,693,433</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	34,851,726	165,685	35,017,411
Restricted:			
Debt Service	3,450,965	-	3,450,965
Capital Projects	6,283,360	-	6,283,360
Other	265,106	-	265,106
Unrestricted	8,841,609	854,657	9,696,266
Total Net Position	<u>\$ 53,692,766</u>	<u>\$ 1,020,342</u>	<u>\$ 54,713,108</u>

See accompanying notes to the financial statements.

School District of Milton  
Milton, Wisconsin

Statement of Activities  
For the Year Ended June 30, 2025

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular Instruction	\$ 16,894,691	\$ 4,549,804	\$ 2,723,601	\$ -	\$ (9,621,286)	\$ -	\$ (9,621,286)
Vocational Instruction	1,507,409	8,225	68,320	-	(1,430,864)	-	(1,430,864)
Special Education Instruction	5,861,256	-	2,604,432	-	(3,256,824)	-	(3,256,824)
Other Instruction	2,425,006	816,334	-	-	(1,608,672)	-	(1,608,672)
Total Instruction	26,688,362	5,374,363	5,396,353	-	(15,917,646)	-	(15,917,646)
Support Services							
Pupil Services	2,449,331	27,722	371,240	-	(2,050,369)	-	(2,050,369)
Instructional Staff Services	3,010,734	-	414,541	-	(2,596,193)	-	(2,596,193)
General Administration Services	600,341	-	23,399	-	(576,942)	-	(576,942)
Building Administration Services	2,745,928	-	-	-	(2,745,928)	-	(2,745,928)
Business Services	840,348	158,608	-	732,842	51,102	-	51,102
Operations and Maintenance	4,347,236	1,292	374	-	(4,345,570)	-	(4,345,570)
Pupil Transportation	2,443,183	30,715	157,989	-	(2,254,479)	-	(2,254,479)
Central Services	564,238	-	7,619	-	(556,619)	-	(556,619)
Insurance	477,665	-	-	-	(477,665)	-	(477,665)
Interest and Fiscal Charges on Debt	1,374,619	-	-	-	(1,374,619)	-	(1,374,619)
Other Support Services	1,279,455	104,343	12,987	-	(1,162,125)	-	(1,162,125)
Community Services	220,518	148,709	-	-	(71,809)	-	(71,809)
Unallocated Depreciation and Amortization	4,635,001	-	-	-	(4,635,001)	-	(4,635,001)
Total Support Services	24,988,597	471,389	988,149	732,842	(22,796,217)	-	(22,796,217)
Purchased and Non-Program Services	4,842,364	-	85,883	-	(4,756,481)	-	(4,756,481)
Total Governmental Activities	56,519,323	5,845,752	6,470,385	732,842	(43,470,344)	-	(43,470,344)
<b>Business-Type Activities</b>							
Food Service Program	1,327,926	694,953	587,727	-	-	(45,246)	(45,246)
Total Business-Type Activities	1,327,926	694,953	587,727	-	-	(45,246)	(45,246)
Total Governmental and Business-Type Activities	\$ 57,847,249	\$ 6,540,705	\$ 7,058,112	\$ 732,842	(43,470,344)	(45,246)	(43,515,590)
<b>General revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					15,958,883	-	15,958,883
Property Taxes, Levied for Debt Service					5,448,600	-	5,448,600
Property Taxes, Levied for Community Services					350,637	-	350,637
Federal and State Aid not Restricted to Specific Purpose							
General					25,268,328	-	25,268,328
Interest and Investment Earnings					589,843	38,268	628,111
Miscellaneous					197,201	8,538	205,739
Transfers					-	(8,138)	(8,138)
Total General Revenues and Transfers					47,813,492	38,668	47,852,160
<b>Special Item- Gain (Loss) on Disposal</b>					(125,565)	(3,260)	(128,825)
Change in Net Position					4,217,583	(9,838)	4,207,745
Net Position - Beginning of Year, as previously stated					51,392,657	1,039,684	52,432,341
Restatement for change in accounting principle					(1,917,474)	(9,504)	(1,926,978)
Net Position - Beginning, as restated					49,475,183	1,030,180	50,505,363
Net Position - End of Year					\$ 53,692,766	\$ 1,020,342	\$ 54,713,108

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Investments	\$ 10,590,100	\$ -	\$ -	\$ 549,170	\$ 11,139,270
Restricted Cash and Investments	-	3,907,889	3,953,080	-	7,860,969
Receivables:					
Taxes	5,746,184	-	-	-	5,746,184
Accounts	671	-	-	472	1,143
Prepaid Expenses	29,700	-	-	5,123	34,823
Due from Other Funds	305	2,400,000	-	-	2,400,305
Due from Other Governments	391,426	-	-	-	391,426
Total Assets	<u>\$ 16,758,386</u>	<u>\$ 6,307,889</u>	<u>\$ 3,953,080</u>	<u>\$ 554,765</u>	<u>\$ 27,574,120</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 326,060	\$ 24,529	\$ -	\$ 82	\$ 350,671
Accrued Payroll and Related Items	1,775,861	-	-	9,518	1,785,379
Due to Other Funds	2,400,000	-	-	-	2,400,000
Other Deposits Payable	2,604	-	-	-	2,604
Total Liabilities	<u>4,504,525</u>	<u>24,529</u>	<u>-</u>	<u>9,600</u>	<u>4,538,654</u>
Fund Balances:					
Nonspendable	29,700	-	-	5,123	34,823
Restricted	265,106	6,283,360	3,953,080	-	10,501,546
Committed	463,467	-	-	-	463,467
Assigned	-	-	-	540,042	540,042
Unassigned	11,495,588	-	-	-	11,495,588
Total Fund Balances	<u>12,253,861</u>	<u>6,283,360</u>	<u>3,953,080</u>	<u>545,165</u>	<u>23,035,466</u>
Total Liabilities and Fund Balances	<u>\$ 16,758,386</u>	<u>\$ 6,307,889</u>	<u>\$ 3,953,080</u>	<u>\$ 554,765</u>	<u>\$ 27,574,120</u>

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

Total fund balance, governmental funds	\$	23,035,466
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		82,654,483
SBITA assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		168,566
<p>Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined pension plan and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expenses in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not current financial resources or uses and therefore are not reported in the fund statements.</p>		
Net deferred outflows and inflows of resources		1,761,376
<p>Other items, including OPEB liability and pension liabilities are not due and payable in the current period and, therefore, are either deferred or not reported in the fund statements.</p>		
Net pension liability		(1,966,073)
Net OPEB liability		(1,237,452)
Supplemental pension liability		(246,694)
<p>Some liabilities, (such as Notes Payable, Financed Purchases, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
General obligation debt		(42,615,000)
Premium on long-term debt		(2,870,340)
Financed purchases		(2,317,417)
Accrued interest on long-term debt		(502,115)
Compensated absences		(2,172,034)
Net Position of Governmental Activities in the Statement of Net Position	\$	53,692,766

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property Taxes	\$ 15,958,883	\$ -	\$ 5,448,600	\$ 350,637	\$ 21,758,120
Other Local Sources	900,706	192,266	120,217	1,966,900	3,180,089
Inter-district Sources	4,067,121	-	-	-	4,067,121
Intermediate Sources	37,709	-	-	-	37,709
State Sources	30,365,858	-	-	-	30,365,858
Federal Sources	1,311,654	-	-	-	1,311,654
Other Sources	141,915	-	-	-	141,915
Total Revenues	<u>52,783,846</u>	<u>192,266</u>	<u>5,568,817</u>	<u>2,317,537</u>	<u>60,862,466</u>
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	16,354,610	-	-	243,274	16,597,884
Vocational Instruction	1,474,023	-	-	-	1,474,023
Special Education Instruction	5,848,375	-	-	-	5,848,375
Other Instruction	1,848,981	-	-	511,019	2,360,000
Total Instruction	<u>25,525,989</u>	<u>-</u>	<u>-</u>	<u>754,293</u>	<u>26,280,282</u>
Support Services:					
Pupil Services	2,406,378	-	-	372	2,406,750
Instructional Staff Services	2,436,932	-	-	-	2,436,932
General Administration Services	489,353	-	-	-	489,353
Building Administration Services	2,697,437	-	-	-	2,697,437
Business Services	658,133	-	-	3,679	661,812
Operations and Maintenance	4,035,887	-	-	215,621	4,251,508
Pupil Transportation	2,299,423	-	-	108,557	2,407,980
Central Services	557,192	-	-	-	557,192
Insurance	477,665	-	-	-	477,665
Other Support Services	1,266,985	-	-	-	1,266,985
Community Services	-	-	-	215,687	215,687
Total Support Services	<u>17,325,385</u>	<u>-</u>	<u>-</u>	<u>543,916</u>	<u>17,869,301</u>
Debt Service:					
Principal	843,095	-	2,390,000	-	3,233,095
Interest and Fiscal Charges	3,532	-	1,618,350	-	1,621,882
Total Debt Service	<u>846,627</u>	<u>-</u>	<u>4,008,350</u>	<u>-</u>	<u>4,854,977</u>
Capital Outlay	4,104,957	398,136	-	1,096,272	5,599,365
Purchased and Non-Program Services	4,842,364	-	-	-	4,842,364
Total Expenditures	<u>52,645,322</u>	<u>398,136</u>	<u>4,008,350</u>	<u>2,394,481</u>	<u>59,446,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>138,524</u>	<u>(205,870)</u>	<u>1,560,467</u>	<u>(76,944)</u>	<u>1,416,177</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
SBITA Proceeds	198,418	-	-	-	198,418
Proceeds from Financed Purchases	2,317,417	-	-	-	2,317,417
Transfer In	-	2,400,000	-	-	2,400,000
Transfer Out	(2,400,000)	-	-	-	(2,400,000)
Total Other Financing Sources and Uses	<u>115,835</u>	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>2,515,835</u>
Net Change in Fund Balances	254,359	2,194,130	1,560,467	(76,944)	3,932,012
Fund Balances - Beginning of Year	11,999,502	4,089,230	2,392,613	622,109	19,103,454
Fund Balances - End of Year	<u>\$ 12,253,861</u>	<u>\$ 6,283,360</u>	<u>\$ 3,953,080</u>	<u>\$ 545,165</u>	<u>\$ 23,035,466</u>

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

Net change in fund balances - total governmental funds:	\$	3,932,012
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
<p>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.</p>		
This is the amount by which current year capital outlays (\$5,193,289) were greater than depreciation (\$5,193,147) in the current period.		142
This is the amount by which current year SBITAs (\$198,419) were less than amortization (\$164,189) in the current period.		34,230
<p>Vested employee benefits are reported in the government funds when amounts are paid. The Statement of Activities reports the value of benefits earned/used during the year.</p>		
Net decrease (increase) in net OPEB Liability and deferred OPEB outflows (inflows) of resources		627,902
Net decrease (increase) in supplemental pension liability and deferred supplemental pension outflows (inflows) of resources		24,080
Net decrease (increase) in compensated absences		(223,716)
<p>The Statement of Activities reports losses arising from the disposal of capital assets. Losses on disposal do not appear in the governmental funds. This is the amount of loss on disposal of current year capital assets.</p>		
		(125,565)
<p>Proceeds from SBITA liabilities are reported as revenue in the governmental funds but increase long-term liabilities in the Statement of Net Position.</p>		
		(198,418)
<p>Proceeds from entering into long-term financed purchase are reported as revenue in the governmental funds but increase long-term liabilities in the Statement of Net Position.</p>		
		(2,317,417)
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.</p>		
The amount of long-term debt principal payments in the current year is:		2,390,000
The amount of financed purchases payments in the current year is:		590,512
The amount of debt premium amortized in the current year is:		205,024
The amount of SBITA liabilities in the current year is:		254,791
<p>In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the Statement of Activities interest is reported as incurred.</p>		
Change in amount of accrued interest not reflected on Governmental Funds		40,032
<p>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 liability (asset) from the prior year to the current year, with some adjustments.</p>		
Amount of current year required contributions into the defined benefit pension plan		1,615,721
Actuarially determined change in net pension liability (asset) between years, with adjustments		(2,631,747)
Change in net position of governmental activities		\$ 4,217,583

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

	<b>Food Service</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 945,608
Accounts Receivable	9,248
Inventories	11,170
Total Current Assets	966,026
Noncurrent Assets:	
Net SBITA Assets	10,189
Furniture and Equipment	285,789
Less Accumulated Depreciation	(120,104)
Net Capital Assets	165,685
Total Noncurrent Assets	175,874
Total Assets	1,141,900
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Outflows	172,341
Deferred OPEB Outflows	21,201
Total Deferred Outflows of Resources	193,542
<b>LIABILITIES</b>	
Current Liabilities:	
Food Service Deposits	81,646
Current Portion of Compensated Absences	4,141
Current Portion of SBITA Liability	4,767
Accrued Interest	396
Total Current Liabilities	90,950
Noncurrent Liabilities:	
Net Pension Liability	31,855
Noncurrent Portion of SBITA Liability	4,961
Compensated Absences	12,569
Net OPEB Liability	17,136
Total Noncurrent Liabilities	66,521
Total Liabilities	157,471
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Inflows	93,246
Deferred OPEB Inflows	64,383
Total Deferred Inflows of Resources	157,629
<b>NET POSITION</b>	
Net Investment in Capital Assets	165,685
Unrestricted	854,657
Total Net Position	\$ 1,020,342

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025**

	<b>Food Service</b>
<b>OPERATING REVENUES</b>	
Food Sales	\$ 694,953
State Sources	23,500
Federal Sources	449,443
Commodities	114,784
Miscellaneous Income	8,538
Total Operating Revenues	1,291,218
<b>OPERATING EXPENSES</b>	
Salaries and Fringes	638,612
Purchased Services	22,061
Food and Supplies	616,940
Depreciation and Amortization	19,362
Other	30,555
Total Operating Expenses	1,327,530
Operating Income (Loss)	(36,312)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest and Investment Revenue	38,268
Interest Expense	(396)
Special Item - Gain (Loss) on Disposal of Assets	(3,260)
Total Non-Operating Revenue (Expense)	34,612
Transfers Out - Benefit Trust Payment	(8,138)
Change in Net Position	(9,838)
Total Net Position (Deficit) - Beginning of Year, as previously stated	1,039,684
Restatement for change in accounting principle	(9,504)
Total Net Position - Beginning, as restated	1,030,180
Total Net Position (Deficit) - End of Year	\$ 1,020,342

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025**

	<b>Food Service</b>
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 703,759
Cash received from other governmental payments	472,943
Cash received from miscellaneous sources	8,538
Cash payments to employees for services	(638,741)
Cash payments to utilities and other purchased services	(22,061)
Cash payments to suppliers for goods and services	(540,180)
Net cash provided (used) by operating activities	(15,742)
Cash Flows from Investing Activities:	
Interest on investments	38,268
Net cash provided (used) by investing activities	38,268
Net increase (decrease) in cash and cash equivalents	22,526
Cash and equivalents- beginning of year	923,082
Cash and equivalents- end of year	\$ 945,608
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (36,312)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation/amortization	19,362
Payment to benefit trust	(8,138)
Pension expense	11,164
OPEB expense	(9,532)
SBITA expense	(5,163)
Changes in assets and liabilities:	
Due to (from) other funds	(829)
Inventory	(2,416)
Prepaid expenses	110
Accounts receivable	480
Compensated absences	7,206
Food service deposits	8,326
Net cash provided (used) by operating activities	\$ (15,742)
Noncash Noncapital Financing Activities:	
During the year the District received commodities from the U.S. Department of Agriculture in the amount of	\$ 114,784

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

	<u>Employee Benefit Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,060,605
Total Assets	<u>5,060,605</u>
<b>LIABILITIES</b>	
Due to Other Funds	<u>305</u>
Total Liabilities	<u>305</u>
<b>NET POSITION</b>	
Restricted	<u>5,060,300</u>
Total Net Position	<u><u>\$ 5,060,300</u></u>

See accompanying notes to the financial statements.

**School District of Milton  
Milton, Wisconsin**

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

	<b>Employee Benefit Trust</b>
<b>ADDITIONS</b>	
Employer Contributions	\$ 595,832
Interest and Dividends	228,981
Employee Contributions	90,096
Total Additions	<u>914,909</u>
<b>DEDUCTIONS</b>	
Benefits Paid	<u>691,065</u>
Total Deductions	<u>691,065</u>
Change in Net Position	223,844
Net Position - Beginning	<u>4,836,456</u>
Net Position - Ending	<u><u>\$5,060,300</u></u>

See accompanying notes to the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies**

**A. Introduction**

The School District of Milton (the “District”) is organized as a common school district. The District, governed by a seven-member elected school board, operates grades 4K through 12 and is comprised of all or parts of nine taxing districts. As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government.

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

**B. Component Units**

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District’s reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has no component units.

**C. District-Wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District’s governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

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

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting**

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

The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) Assets are not generated from the government's own-source revenues or from 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 major governmental funds:

**General Fund** – The general fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds. Under GASB 54, the General Fund includes the operations of the Special Education Fund.

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

**Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The District also has the following non-major funds:

- Special Revenue Trust
- Community Service Fund

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

The District operates one major enterprise fund, the Food Service Fund. This fund accounts for the activities of the District's food service programs.

The District reports its Employee Benefit Trust fund in the fiduciary fund. The benefit trust fund is used to fund and pay for retiree benefits.

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

**E. Measurement Focus and Basis of Accounting**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures when paid. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

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

Interest income on temporary investments is recognized in the fiscal period earned.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**F. Deposits and Investments**

The District's cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. Agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government pooled-investment fund.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Investments in the Local Government Investment Pool (LGIP) are reported at amortized cost, based on information provided by the State of Wisconsin Investment Board. See Note 3 for additional information.

**G. Receivables**

**Taxes**

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for the collection to comprising municipalities based on the immediate past October 1 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, and the final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District is paid by the collecting municipalities proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

**Interfunds**

The amounts reported on the Statement of Net Position for internal receivables and payables represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for these internal balances within the same fund type. Residual internal balances between governmental and business-type activities are further eliminated in the total primary government column.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**G. Receivables (Continued)**

**Accounts Receivable**

All accounts receivable are shown as gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance is not material.

**H. Other Assets**

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

A reserve for these non-liquid assets (inventories and prepaid items) have been recognized to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where inventories are offset by deferred inflows.

**I. Capital Assets**

Capital assets are reported at actual cost for acquisitions subsequent to 1992. For assets acquired prior to 1992, estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm, are used. Donated assets are reported at estimated acquisition value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 10,000	Straight-line	50 years
Building improvements	10,000	Straight-line	20 years
Site improvements	10,000	Straight-line	10-25 years
Computer and related technology	10,000	Straight-line	5-20 years
Furniture and equipment	10,000	Straight-line	5-10 years
Library books	10,000	Straight line	5 years

The District updated the capitalization threshold from \$5,000 to \$10,000 for the year ended June 30, 2025.

**J. Subscription-Based Information Technology Arrangements (SBITA)**

The District recognizes these subscription-based information technology arrangements (SBITA) as a financing right to use an underlying asset. SBITA assets are determined at their fair value, while SBITA liabilities represent the present value of future lease payments over the lease term. This approach aligns with the principles of GASB No. 96 and ensures that the District accurately reflects the economic substance of its SBITA transactions. See Note 6 for additional information.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**K. Other Obligations**

**Compensated Absences**

Under terms of employment, employees are granted vacation and paid time off (“PTO”) in varying amounts. In accordance with GASB Statement No. 101, Compensated Absences, the District recognizes a liability for leave benefits that have been earned and are more likely than not to be used for time off or otherwise paid or settled, such as through payment upon termination or retirement. Vacation benefits are recognized as liabilities and related expenses when earned.

PTO benefits accumulate up to 110 days but do not vest; accordingly, these amounts are recognized as expenses when used. Teachers who accumulate PTO in excess of 110 days are compensated for the excess days in December of each year, and a liability is accrued for those amounts. Administrators are paid a one-time amount for unused PTO at retirement, up to the number of days and at the rate specified in their contracts.

The District measures the liability for compensated absences based on the amount of leave expected to be used or paid, including salary-related payments associated with such benefits. In the government-wide financial statements, the entire liability for compensated absences is reported in the Statement of Net Position. In the governmental fund financial statements, only the portion expected to be liquidated with expendable available financial resources is reported as a liability.

**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, and
- Pension Expense (Revenue).

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

**Net Other Post-Employment Benefit Obligations (NOPEBO)**

For purposes of measuring the NOPEBO, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s OPEB plan and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with benefit terms. See Note 10 for additional information.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**L. Estimates**

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

**M. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

**N. Net Position**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**O. Fund Balance**

In the fund financial statements, governmental fund balance is presented in five possible categories:

**Nonspendable** – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. Summary of Significant Accounting Policies (Continued)**

**O. Fund Balance (Continued)**

**Assigned** – resources neither restricted nor committed for which a government has a stated intended use as established by the District Board or a body or official of which the District Board has delegated the authority to assign amounts for specific purposes.

**Unassigned** – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the District’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

**P. 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. See Note 13 for additional information.

Effective July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*. GASB 102 was issued to provide users of 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.

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

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

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements (Continued)**

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories:

- 1) Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities.
- 2) Capital related differences include the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- 3) Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**3. Cash and Investments**

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the trust fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following: time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local governmental investment pool.

The carrying amount of the District’s cash and investments, including the separate accounts noted above, totaled \$25,006,452 on June 30, 2025 as summarized below:

<u>Depository:</u>	<u>Carrying Amount</u>	<u>Associated Risk</u>
Deposits with financial institutions	\$ 2,365,746	Custodial credit risk
Petty cash funds	16,059	None
Money market fund	89,818	Custodial credit risk
Mutual funds	2,997,377	Credit risk
LGIP	19,537,452	Credit risk, interest rate risk
	<hr/>	
Total June 30, 2025	<u>\$ 25,006,452</u>	

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**3. Cash and Investments (Continued)**

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

Basic financial statements		
Cash and investments	\$	12,084,878
Restricted cash and investments:		
Capital projects		3,907,889
Debt service		3,953,080
Fiduciary funds		
Employee-Benefit trust		5,060,605
Total	\$	25,006,452

Restricted cash in the amount of \$3,953,080 in the Debt Service fund and \$3,907,889 in Capital Projects fund include amounts set aside for future payment of G.O. debt and capital projects. The restricted cash to pay for this future requirement is offset in the restricted fund balance of the respective funds.

The Wisconsin Local Government Investment Pool (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 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 <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. 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 carrying value.

State of Wisconsin Investment Board 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 local government investment pool as of June 30, 2025 was: 98% in U.S. Government Securities, and 2% in Commercial Paper, Certificates of Deposit, and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**3. 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 sensitivity its fair value has to changes in market interest rates. The District has a formal investment policy, and all investments are made in accordance with State law, with maturities not to exceed three years. This policy helps limit the District's exposure to fair value losses from rising interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity. The LGIP investments have an average maturity of 3 days.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>	<u>6 Months to 1 Year</u>	<u>1 Year to 3 Years</u>
Local Government Investment Pool	\$ 19,537,452	\$ 19,537,452	\$ -	\$ -
	<u>\$ 19,537,452</u>	<u>\$ 19,537,452</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations.

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

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
Mutual Funds	Morningstar - 2 Star	\$ 788,636
Mutual Funds	Morningstar - 3 Star	1,411,910
Mutual Funds	Morningstar - 4 Star	796,831
LGIP	Unrated	19,537,452
		<u>\$ 22,534,829</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District has a formal investment policy that requires all deposits to be held in federally insured financial institutions through a Board-designated re-deposit agent.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**3. Cash and Investments (Continued)**

Deposits in banks are insured by the FDIC in the amount of \$250,000 for demand accounts and \$250,000 for time and savings accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. 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 municipalities.

As of June 30, 2025, \$1,719,730 of the District's deposits with financial institutions in excess of federal depository insurance limits were exposed to custodial credit risk as follows:

Collateralized in the District's Name	\$ 1,609,852
Insured by the State Deposit Guarantee Fund	<u>109,878</u>
	<u><u>\$ 1,719,730</u></u>

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year exceeding uninsured amounts at the balance sheet date.

Fair Value Measurement

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

The District uses the following hierarchical disclosure framework:

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

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

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

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

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**3. Cash and Investments (Continued)**

Investments by Fair Value Level	6/30/2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 2,997,377	\$ 2,997,377	\$ -	\$ -
Total Investments by Fair Value Level	\$ 2,997,377	\$ 2,997,377	\$ -	\$ -

**4. Capital Assets**

	Balance 7/1/2024	Additions	Retirements	Adjustment	Balance 6/30/2025
<b>Governmental Activities</b>					
Land	\$ 644,107	\$ -	\$ -	\$ -	\$ 644,107
Construction in progress	909,282	1,078,176	(1,693,108)	-	294,350
Land and land improvements	5,036,800	432,219	-	-	5,469,019
Buildings and building improvements	111,185,754	2,509,821	(287,536)	(80,000)	113,328,039
Furniture and equipment	8,542,018	2,866,181	(661,034)	80,000	10,827,165
Total Government Activities	126,317,961	6,886,397	(2,641,678)	-	130,562,680
Less Accumulated Depreciation					
Land improvements	(2,252,317)	(184,621)	-	-	(2,436,938)
Buildings and building improvements	(35,645,847)	(4,230,643)	243,772	-	(39,632,718)
Furniture and equipment	(5,639,891)	(777,883)	579,233	-	(5,838,541)
Total Accumulated Depreciation	(43,538,055)	(5,193,147)	823,005	-	(47,908,197)
Net Governmental Activities Capital Assets	\$ 82,779,906	\$ 1,693,250	\$ (1,818,673)	\$ -	\$ 82,654,483
<b>Business-Type Activities</b>					
Furniture and equipment	\$ 318,389	\$ -	\$ (32,600)	\$ -	\$ 285,789
Less Accumulated Depreciation	(134,784)	(14,660)	29,340	-	(120,104)
Net Business-Type Capital Assets	\$ 183,605	\$ (14,660)	\$ (3,260)	\$ -	\$ 165,685

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 562,996
General administration services	105,629
Operations and maintenance of facilities	18,486
Pupil transportation	35,223
Depreciation not charged to a specific function	<u>4,470,813</u>
Total Depreciation for Governmental Activities	<u>\$ 5,193,147</u>

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**5. Financed Purchases**

The District is obligated under certain leases that meet the criteria to be accounted for as financed purchases. Equipment capitalized with leases has an original cost of \$2,317,417 and has not been depreciated as of June 30, 2025.

Future minimum lease payments are as follows:

Year Ended June 30,	
2026	\$ 579,354
2027	579,354
2028	579,354
2029	579,355
Present Value of net minimum lease payments	\$ 2,317,417

**6. Subscription-Based Information Technology Arrangements (SBITA)**

The District has entered into subscription-based information technology arrangements (SBITAs) involving:

- Various educational curriculum software subscriptions
- A web filter service license
- Camera software
- Menu-planning and nutrient-analysis platform

The total costs of the District's subscription assets are as follows:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025	Amounts Due Within One Year
<b>Governmental Activities</b>					
<b>SBITA Assets</b>					
SBITA Assets	\$ 294,144	\$ 198,419	\$ (131,686)	\$ 360,877	
Less: Accumulated Amortization	(159,808)	(164,189)	131,686	(192,311)	
Total SBITA Assets, net	\$ 134,336	\$ 34,230	\$ -	\$ 168,566	
<b>SBITA Liabilities</b>	\$ 54,166	\$ 198,418	\$ (252,584)	\$ -	\$ -
<b>Business-Type Activities</b>					
<b>SBITA Assets</b>					
SBITA Assets	\$ -	\$ 14,891	\$ -	\$ 14,891	
Less: Accumulated Amortization	-	(4,702)	-	(4,702)	
Total SBITA Assets, net	\$ -	\$ 10,189	\$ -	\$ 10,189	
<b>SBITA Liabilities</b>	\$ -	\$ 14,891	\$ (5,163)	\$ 9,728	\$ 4,767

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**6. Subscription-Based Information Technology Arrangements (Continued)**

The total SBITA costs for the year ended June 30, 2025 are as follows:

<b>SBITA expense</b>	Year Ended June 30, 2025	
	Governmental Activities	Business-Type Activities
Amortization expense by class of underlying asset		
SBITA - GASB 96	\$ 164,189	\$ 4,702
Total amortization expense	164,189	4,702
Interest on lease liabilities	1,325	396
<b>Total</b>	<b>\$ 165,514</b>	<b>\$ 5,098</b>

The future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total Payments
2026	\$ 4,767	\$ 396	\$ 5,163
2027	4,961	202	5,163
Total Future Payments	<u>\$ 9,728</u>	<u>\$ 598</u>	<u>\$ 10,326</u>

**7. Long-term Obligations**

Long-term obligations of the District are as follows:

	Balance 7/1/2024	Issued	Retired	Balance 6/30/2025	Amount Due Within One Year
<b>Governmental Activities:</b>					
<u>General obligation debt</u>					
Bonds payable	\$ 45,005,000	\$ -	\$ (2,390,000)	\$ 42,615,000	\$ 2,510,000
Total GO Debt	<u>45,005,000</u>	<u>-</u>	<u>(2,390,000)</u>	<u>42,615,000</u>	<u>2,510,000</u>
Premium on debt	3,075,364	-	(205,024)	2,870,340	205,024
Financed purchases	590,512	2,317,417	(590,512)	2,317,417	579,354
Compensated absences*	1,948,318	223,716	-	2,172,034	745,350
Total Governmental Activities	<u>50,619,194</u>	<u>2,541,133</u>	<u>(3,185,536)</u>	<u>49,974,791</u>	<u>4,039,728</u>
<b>Business-Type Activities:</b>					
Compensated absences*	9,504	7,206	-	16,710	4,141
Total Business-Type Activities	<u>9,504</u>	<u>7,206</u>	<u>-</u>	<u>16,710</u>	<u>4,141</u>
Total Long-Term Obligations	<u>\$ 50,628,698</u>	<u>\$ 2,548,339</u>	<u>\$ (3,185,536)</u>	<u>\$ 49,991,501</u>	<u>\$ 4,043,869</u>

\*The beginning balances for compensated absences liability have been restated due to the adoption of GASB No. 101. The change in compensated absences liability is presented as a net change.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**7. Long-term Obligations (Continued)**

**General Obligation Debt**

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

Description	Issue Date	Interest Rate	Date of Maturity	Balance	Amount Due Within One Year
GO Refunding Bonds	7/31/2019	3%-5%	3/1/2039	\$ 42,615,000	\$ 2,510,000
Total General Obligation Debt				<u>\$ 42,615,000</u>	<u>\$ 2,510,000</u>

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

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,510,000	\$ 1,498,850	\$ 4,008,850
2027	2,640,000	1,373,350	4,013,350
2028	2,760,000	1,241,350	4,001,350
2029	2,875,000	1,130,950	4,005,950
2030	2,990,000	1,015,950	4,005,950
2031-2035	16,610,000	3,391,150	20,001,150
2036-2039	12,230,000	799,950	13,029,950
Totals	<u>\$ 42,615,000</u>	<u>\$ 10,451,550</u>	<u>\$ 53,066,550</u>

**Debt Limit**

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,302,683,599. The legal debt limit and margin of indebtedness as of June 30, 2025, in accordance with §67.03(1) (b) of the Wisconsin statutes follows:

Debt Limit (10% of \$3,302,683,599)	\$ 330,268,360
Deduct long-term debt applicable to debt margin	<u>42,615,000</u>
Margin of indebtedness	<u>\$ 287,653,360</u>

**Defeasance of Bonds**

On March 14, 2023, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the 2019 general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2025 is \$2,985,000, with a call date of March 1, 2027. The risk-free monetary assets of the trust cannot be replaced.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**8. Defined Benefit Pension Plan**

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

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

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

The WRS also provides death and disability benefits for employees.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**8. Defined Benefit Pension Plan (Continued)**

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

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

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

During the reporting period, the WRS recognized \$1,641,897 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%

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**8. Defined Benefit Pension Plan (Continued)**

*Pension Liabilities (Assets), 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 of \$1,997,928 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.12159024%, which was a decrease of 0.00733985% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$2,696,502.

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	\$ 6,204,662	\$ (5,830,436)
Changes of assumptions	592,824	-
Net difference between projected and actual earnings on pension plan investments	3,035,958	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	49,278	(18,150)
Employer contributions subsequent to the measurement date	926,824	-
Total	\$ 10,809,546	\$ (5,848,586)

\$926,824 reported as deferred outflows 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.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**8. Defined Benefit Pension Plan (Continued)**

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

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 1,217,879
2027	4,148,927
2028	(1,018,549)
2029	(314,121)
Total	\$ 4,034,136

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
	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 known Market Recognition Account deferred gains/losses on the liability for dividend payment.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**8. Defined Benefit Pension Plan (Continued)**

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

Asset Allocation Targets and Expected 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	<u>100</u>	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	<u>100</u>	6.9	4.2

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

<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 MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**8. Defined Benefit 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 6.80% and a municipal bond rate of 4.08% (Source: “20-Bond GO Index” is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds’ average quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard and Poor’s Corp.’s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 18,743,181	\$ 1,997,928	\$ (9,899,092)

**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>.

**Allocation of Pension Plan.** Pension amounts are allocated between the Governmental Activities and Business-type Activities based on the percentage of required contributions of each opinion unit.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit**

At June 30, 2025, The District’s total pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

**Plan Description.** The District provides eligible retirees with 403(b) contributions. The District also provides eligible Administrators, including the District Administrator, with a stipend benefit in retirement based upon a percentage of their exit salary. Since retirees receive a pension benefit from the Wisconsin Retirement System (WRS), these post-employment pension benefits (stipend and cash in lieu payments) are supplemental to the WRS benefit and therefore, we refer to them as a supplemental pension benefit. The supplemental pension plan description is identified below:

Teachers: WRS eligible

Tier 1a: Eligible to retire and retiring by June 30, 2027 (at least age 50 with 10 years of service)

Eligible retirees waiving coverage in the District’s group health plans will receive an annual cash benefit of \$2,375 in lieu of such participation for a period of 4 years.

Tier 1b: Eligible to retire and retiring after June 30, 2027 (at least 15 years of service)

For those not on the District’s health plan at retirement for required period, the District provides a 403(b) contribution of \$2,500/year for 4 years.

Tier 2: Those not eligible for Tier 1 and eligible to retire by June 30, 2037 (at least age 40 with one year of service)

For those not on the District’s health plan at retirement, the District provides a 403(b) contribution of \$2,500/year for 4 years.

Tier 3: Those not eligible for Tier 1 or 2 benefits employed as of June 30, 2023 and New Hires on/after July 1, 2023 (at least 15 years of service)

403(b) catch-up contributions will be received upon retirement based on benefits earned from date of hire through June 30, 2023 based upon the schedule below.

Years of Service	Amount / Year
1 – 10	\$ 500
11 – 20	\$1,000
21+	\$1,800

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit (Continued)**

Administrators and Supervisors: WRS eligible with a minimum of 10 years of service

Tier 1a: Eligible to retire and retiring by June 30, 2027

Eligible retirees waiving coverage in the District’s group health plans will receive an annual cash benefit of \$2,375 in lieu of such participation for a period of 6 years.

Tier 1b: Eligible to retire and retiring after June 30, 2027

For those not on the District’s health plan at retirement for required period, the District provides a 403(b) contribution of \$3,000/year for 5 years.

Tier 2: Those not eligible for Tier 1 and eligible to retire between July 1, 2027 and June 30, 2037

For those not on the District’s health plan at retirement, the District provides a 403(b) contribution of \$3,000/year for 5 years.

Tier 3: Those not eligible for Tier 1 or 2 benefits employed as of June 30, 2023 and New Hires on/after July 1, 2023

403(b) catch-up contributions will be received upon retirement based on benefits earned from date of hire through June 30, 2023 based upon the schedule below.

Years of Service	Amount / Year
1 – 10	\$ 750
11 – 20	\$1,500
21+	\$2,700

District Administrators: At least age 55 with a minimum of 5 years of service and must apply for WRS benefits within 30 days of effective retirement (as of July 1, 2024):

Those eligible shall receive a retirement stipend based on the following scale and the exit salary compensation will be divided into four (4) equal installments and distributed to the retired Administrator in four (4) annual payments. Additionally, eligible retirees who waive the coverage in the District’s group medical plans will instead receive an annual cash benefit of \$3,000 in lieu of such participation for a period of 5 years.

Years of Service	Amount of Stipend
At least 5 but less than 6 years	35% of Administrators exit salary
At least 6 but less than 7 years	40% of Administrators exit salary
At least 7 but less than 8 years	45% of Administrators exit salary
At least 8 but less than 9 years	50% of Administrators exit salary
At least 9 but less than 10 years	55% of Administrators exit salary
At least 10 years	60% of Administrators exit salary

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit (Continued)**

Support Staff: WRS eligible

Tier 1a: Eligible to retire and retiring by June 30, 2027 (at least age 50 with 10 years of service)

Eligible retirees waiving coverage in the District’s group health plans will receive an annual cash benefit of \$2,375 in lieu of such participation for a period of 4 years.

Tier 1b: Eligible to retire and retiring after June 30, 2027 (at least 15 years of service)

For those not on the District’s health plan at retirement for required period, the District provides a 403(b) contribution of \$2,500/year for 4 years.

Tier 2: Those not eligible for Tier 1 and eligible to retire by June 30, 2037 (at least age 40 with one year of service)

For those not on the District’s health plan at retirement, the District provides a 403(b) contribution of \$2,500/year for 4 years.

Tier 3: Those not eligible for Tier 1 or 2 benefits employed as of June 30, 2023 and New Hires on/after July 1, 2023 (at least 15 years of service)

403(b) catch-up contributions will be received upon retirement based on benefits earned from date of hire through June 30, 2023 based upon the schedule below.

Years of Service	Amount / Year
1 – 10	\$ 500
11 – 20	\$1,000
21+	\$1,800

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

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	239
	250
	250

***Funding Policy and Progress.*** This is funded on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit (Continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2025, the District recognized a supplemental pension expense of \$19,168.

Total Supplemental Pension Liability:	
Beginning Balance	\$ 254,202
Changes for the Year	
Service Cost	19,852
Interest	9,735
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	20,845
Changes of Assumptions or Other Input	(1,134)
Benefit Payments	(56,806)
Net Changes	(7,508)
Ending Balance	\$ 246,694

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

Gain / Loss	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,454	\$ (54,045)
Changes of assumptions or other input	25,254	(76,980)
District contributions subsequent to the measurement date	43,248	-
Total	\$ 128,956	\$ (131,025)

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit (Continued)**

\$43,248 reported as deferred outflows related to the supplemental pension benefit resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net supplemental pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the supplemental pension benefit will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (10,419)
2027	(10,419)
2028	(10,419)
2029	(10,412)
2030	3,344
Thereafter	(6,992)
Total	<u>\$ (45,317)</u>

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

Actuarial Valuation Date	June 30, 2023
Measurement Date of Total Pension Liability	June 30, 2024
Discount Rate:	4.21% - based upon all years of projected payments discounted at a municipal bond rate of 4.21%.

Mortality assumptions are based upon 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. Supplemental Pension (Stipend) Benefit (Continued)**

**Single Discount Rate.** A single discount rate of 4.21% (based upon all years of projected payments discounted at a municipal bond rate of 4.21%) was used in this valuation in calculating the supplemental pension liability. It was assumed that the District would continue to fund its retiree benefits out of its general fund assets on a pay-as-you-go basis.

**Sensitivity of the District’s Total Pension Liability to Changes in the Discount Rate.** The following presents the District’s total pension liability calculated using the discount rate of 4.21 percent, as well as what the District’s total pension liability 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 rate:

	1% Decrease to Discount Rate (3.21%)	Current Discount Rate (4.21%)	1% Increase to Discount Rate (5.21%)
Total Supplemental Pension Liability	\$261,011	\$246,694	\$232,927

**10. Other Post-Employment Benefits (OPEB) Plan**

At June 30, 2025, the District’s net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

**Plan Description.** The District provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The last actuarial valuation was made June 30, 2023. The post-retirement plan does not issue stand-alone financial reports.

**Funding Policy.** The District established the School District of Milton Post-Employment Benefits Trust in order to accumulate funds and finance the costs of OPEB.

**Benefits Provided.** The OPEB liability consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the District for continued health care for all classification that are entitled to a benefit are briefly outlined below:

Administrators and Supervisors: WRS eligible with a minimum of 10 years of services:

Tier 1a: Eligible to retire and retiring by June 30, 2027

The District will make the same health premium contributions on behalf of the retiree as is made on behalf of active Administrators and Supervisors (currently 85%) for a period of up to 6 years not to exceed \$48,450 single/\$114,000 family. If a retiree becomes Medicare-eligible prior to the exhaustion of their benefit, a Medicare ‘carve-out’ plan will be instituted in lieu of regular coverage. Tier 1 employees may remain on the District’s health plan for up to 72 months following retirement, if retiring by June 30, 2027.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

Administrators and Supervisors (Continued)

Tier 1b: Eligible to retire and retiring after June 30, 2027

If on the District's health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of 85% of premium frozen at retirement no to exceed \$9,690/year single and \$22,800/year family for 5 years following the date of retirement. Retirees may only stay on the District's health plan for the COBRA election period.

Tier 2: Those not eligible for Tier 1 and eligible to retire between July 1, 2027 and June 30, 2037

If on the District's health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of \$8,364/year single and \$19,655/year family for 5 years following the date of retirement. Retirees may only stay on the District's health plan for the COBRA election period.

Teachers: WRS eligible:

Tier 1a: Eligible to retire and retiring by June 30, 2027 (at least age 50 with 10 years of service)

The District will make the same health premium contributions on behalf of the retiree as is made on behalf of active Teachers (currently 85%) for a period of up to 4 years not to exceed \$32,300 single/\$76,000 family. If a retiree becomes Medicare-eligible prior to the exhaustion of their benefit, a Medicare 'carve-out' plan will be instituted in lieu of regular coverage. Tier 1 employees may remain on the District's health plan for up to 48 months following retirement, if retiring by June 30, 2027.

Tier 1b: Eligible to retire and retiring after June 30, 2027 (at least 15 years of service)

If on the District's health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of 85% of premium frozen at retirement no to exceed \$8,075/year single and \$19,000/year family for 4 years following the date of retirement. Retirees may only stay on the District's health plan for the COBRA election period.

Tier 2: Those not eligible for Tier 1 and eligible to retire between July 1, 2027 and June 30, 2037 (at least age 40 with 1 year of service)

If on the District's health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of \$6,970/year single and \$16,379/year family for 4 years following the date of retirement. Retirees may only stay on the District's health plan for the COBRA election period.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

District Administrators: At least age 55 with a minimum of 5 years of service and must apply for WRS benefits within 30 days of effective retirement (as of July 1, 2024):

If the Administrator is enrolled in the District’s health plan at retirement for consecutive 3 years prior to retirement, the District provides contributions of \$8,364/year single and \$19,655/year family depending on the coverage that the Administrator had during their last month of employment. The duration of the contributions are based on years of services as follows:

Years of Service	Duration of Health Benefit (commencing with the first month following retirement)
At least 5 but less than 6 years	3.5 years
At least 6 but less than 7 years	4 years
At least 7 but less than 8 years	4.5 years
At least 8 but less than 9 years	5 years
At least 9 but less than 10 years	5.5 years
At least 10 years	6 years

The Administrator may only stay on the District’s health plan for the COBRA election period.

Support Staff: WRS eligible:

Tier 1a: Eligible to retire and retiring by June 30, 2027 (at least age 50 with 10 years of service)

The District will make the same health premium contributions on behalf of the retiree as is made on behalf of active Support Staff (currently 90%) for a period of up to 4 years not to exceed \$32,300 single/\$76,000 family. If a retiree becomes Medicare-eligible prior to the exhaustion of their benefit, a Medicare ‘carve-out’ plan will be instituted in lieu of regular coverage. Tier 1 employees may remain on the District’s health plan for up to 48 months following retirement, if retiring by June 30, 2027.

Tier 1b: Eligible to retire and retiring after June 30, 2027 (at least 15 years of service)

If on the District’s health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of 90% of premium frozen at retirement no to exceed \$8,075/year single and \$19,000/year family for 4 years following the date of retirement. Retirees may only stay on the District’s health plan for the COBRA election period.

Tier 2: Those not eligible for Tier 1 and eligible to retire between July 1, 2027 and June 30, 2037 (at least age 40 with 1 year of service)

If on the District’s health plan at retirement for consecutive 3 years prior to retirement, the District provides annual Post-Employment HRA contributions of \$6,970/year single and \$16,379/year family for 4 years following the date of retirement. Retirees may only stay on the District’s health plan for the COBRA election period.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

All Retirees Participating in the District’s Group Medical Plan (Inclusive of COBRA Participants):

Upon retirement:

From 7/1/2013 to 6/30/2014 the District implemented a Section 105 Health Reimbursement Arrangement wherein a portion of the prescription drug copay expenses and office visits are covered by the HRA through a TPA. While there is no individual cap, the District has a total dollar cap per plan year.

Effective 7/1/2014, the above benefit ended and the District implemented a HRA Benefit for reimbursement of a portion of the medical plan deductible, which is applicable to retirees for reimbursable expenses. It is assumed that the District will provide reimbursement for up to \$1,900 for those retirees with single coverage and \$3,800 for those retirees with family coverage.

*Notes: This benefit is available for active employees as well as retirees participating in the District’s Group Medical Plan. COBRA participants must pay an additional cost to receive the HRA deductible reimbursements. Retirees may be reimbursed for prescription medication through the HRA for Tier 2 and Tier 3 levels but only up to 50% for each tier. Unused HRA funds are forfeited each year.*

**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:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	348
	386
	386

**Net OPEB Liability.** The District’s net OPEB liability of \$1,254,588 was measured at June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

**Actuarial Assumptions and Other Inputs.** The net OPEB liability 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	2.50 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	7.0% decreasing to 6.5%, then decreasing by 0.10% per year down to 4.50%, and level thereafter

Mortality assumptions were based on 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions were based on an experience study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-20.

**Discount Rate.** The discount rate used to measure the total net OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability. The long-term expected rate of return is equal to the discount rate.

The discount rate is based upon all years of projected payments discounted at a 2.25% long-term expected rate of return.

**Assets Allocation.** The current assets allocation of the District's OPEB plan's asset classes as of June 30, 2025 was as follows:

- 6% deposited in Financial Institution earning an interest rate of 0.5%
- 33% deposited in Financial Institution earning an interest rate of 3.75%
- 61% invested in mutual funds.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

*Changes in the Net OPEB Liability.*

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Balance at 6/30/2023</b>	\$ 6,314,795	\$ 4,083,832	\$ 2,230,963
<b>Changes for the year:</b>			
Service cost	336,984	-	336,984
Interest	138,506	-	138,506
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(44,308)	-	(44,308)
Changes in assumptions or other inputs	-	-	-
Contributions - employer	-	1,159,282	(1,159,282)
Net investment income	-	248,275	(248,275)
Benefit payments	(654,932)	(654,932)	-
<b>Net Changes</b>	<u>(223,750)</u>	<u>752,625</u>	<u>(976,375)</u>
<b>Balance at 6/30/2024</b>	<u>\$ 6,091,045</u>	<u>\$ 4,836,457</u>	<u>\$ 1,254,588</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	1% Decrease	Current	1% Increase
	1.25%	Discount Rate 2.25%	3.25%
Net OPEB Liability	<u>\$ 1,483,210</u>	<u>\$ 1,254,588</u>	<u>\$ 1,028,463</u>

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

	1% Decrease	Healthcare Cost	1% Increase
	(6.0% decreasing to 3.5%)	Trend Rates (7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
Net OPEB Liability	<u>\$ 1,185,652</u>	<u>\$ 1,254,588</u>	<u>\$ 1,330,608</u>

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**10. Other Post-Employment Benefits (OPEB) Plan (Continued)**

***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 OPEB income of \$41,602. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

<u>Gain / Loss</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 23,518	\$ (4,417,136)
Changes of assumptions or other inputs	932,870	(220,974)
Net difference between projected and actual earnings on OPEB plan investments	-	(75,712)
District contributions subsequent to the measurement date	595,832	-
Total	<u>\$ 1,552,220</u>	<u>\$ (4,713,822)</u>

\$595,832 reported as deferred outflows related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense (revenue) as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2026	\$ (433,186)
2027	(444,749)
2028	(456,902)
2029	(459,896)
2030	(460,639)
Thereafter	(1,502,062)
Total	<u>\$ (3,757,434)</u>

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**11. Interfund Activities**

**Due to/Due from Other Funds**

Individual fund interfund receivable and payable balances on June 30, 2025 are as follows:

Due To	Due From	Amount	Purpose
General Fund	Employee Benefit Trust	\$ 305	OPEB Contribution
Capital Projects Fund	General Fund	2,400,000	Future Capital Improvements
Total Fund Financial Statements		<u>2,400,305</u>	
Less: Fund Eliminations		<u>(2,400,000)</u>	
Total District-Wide Statement of Net Position - Due to Fiduciary Funds		<u><u>\$ 305</u></u>	

**Transfers**

The District had the following interfund transfers:

Receiving Fund	Paying Fund	Amount	Purpose
Capital Projects Fund	General Fund	\$ 2,400,000	Future Capital Improvements
Total Governmental Activities		<u>2,400,000</u>	
Employee Benefit Trust	Food Service	8,138	OPEB Contribution
Total Business-type Activities		<u>8,138</u>	
Less: Fund Eliminations		<u>(2,400,000)</u>	
Total District-Wide Statement of Activities		<u><u>\$ 8,138</u></u>	

On the district-wide Statement of Activities, a transfer of \$8,138 was recorded to show the amount paid by the food service fund to the Employee Benefit Trust so that it is reflected in the business-type activities.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**12. Fund Balances**

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

	General Fund	Debt Service	Capital Projects	Community Service Fund	Special Revenue Trust	Total
<b>Fund balances:</b>						
<u>Nonspendable:</u>						
Prepays	\$ 29,700	\$ -	\$ -	\$ -	\$ 5,123	\$ 34,823
<u>Restricted for:</u>						
Unspent Common School Fund	26,686	-	-	-	-	26,686
Debt Service Retirement	-	3,953,080	-	-	-	3,953,080
Capital Projects	-	-	6,283,360	-	-	6,283,360
CTE Grant	75,132	-	-	-	-	75,132
Mental Health Grant	163,288	-	-	-	-	163,288
<u>Committed for:</u>						
Applied Fund Balance	463,467	-	-	-	-	463,467
<u>Assigned for:</u>						
Programs	-	-	-	234,102	305,940	540,042
<u>Unassigned</u>	11,495,588	-	-	-	-	11,495,588
<b>Total Fund Balances</b>	<b>\$ 12,253,861</b>	<b>\$ 3,953,080</b>	<b>\$ 6,283,360</b>	<b>\$ 234,102</b>	<b>\$ 311,063</b>	<b>\$ 23,035,466</b>

**13. Change in Accounting Principle**

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

	Reporting Unit Affected by Adjustments to Government-Wide Financial Statements	
	Governmental Activities	Business-Type Activities
Net position, as previously reported	\$ 51,392,657	\$ 1,039,684
Change in accounting principle (GASB 101)	(1,917,474)	(9,504)
Net position, as restated	\$ 49,475,183	\$ 1,030,180

Implementation of GASB 101 required net position in the governmental activities and business-type activities to be decreased. The decrease in net position was to reflect the District's compensated absence liability at the beginning of the year.

**14. Contingencies**

The District is exposed to the risk of loss in several areas, including personal injury, wrongful actions, and fire and other casualties. Management has chosen to obtain insurance covering such losses in amounts believed to be sufficient to eliminate the possibility of a material loss in excess of insurance coverage.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**15. Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

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

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

On November 5, 2024, the District passed \$5,000,000 recurring operation referendum beginning in the 2026/2027 school year for the purpose of sustaining educational programming and staffing.

**16. Effect of New Accounting Standards on Current 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 this becomes effective, application of this standard may restate portions of these financial statements.

**17. Construction Commitments**

The District has the following contract commitments related to construction projects as of June 30, 2025:

	Estimated Total Contract	Expenditures through June 30, 2025	Estimated Remaining Commitment
Northside Intermediate School Cooling System Replacement	\$ 388,500	\$ 268,000	\$ 120,500
Soccer Field Lighting Project at Schilberg Park	193,600	-	193,600
	\$ 582,100	\$ 268,000	\$ 314,100

**18. Subsequent Events**

In June 2025, the Board approved Soccer Field Lighting Project at Schilberg Park with a total cost of \$193,600.

In May 2025, the Board approved changes to the District’s paid time off (PTO) program effective for the 2025–26 school year. The new plan sets a uniform annual accrual and rollover maximum of 90 days for all employee groups and establishes retirement payouts of up to 60 days, along with updated retirement payout rates. The addition of retirement payouts for all employee groups may increase the compensated absences in future years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**School District of Milton  
Milton, Wisconsin**

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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 15,958,883	\$ 15,958,883	\$ 15,958,883	\$ -
Other Local Sources	584,126	770,126	900,706	130,580
Inter-District Sources	4,038,532	4,052,341	4,067,121	14,780
Intermediate Sources	5,000	5,000	37,709	32,709
State Sources	28,205,220	28,311,586	28,355,496	43,910
Federal Sources	327,971	348,879	489,395	140,516
Other Sources	5,000	110,000	141,915	31,915
Total Revenues	<u>49,124,732</u>	<u>49,556,815</u>	<u>49,951,225</u>	<u>394,410</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	16,935,783	16,936,213	16,354,610	581,603
Vocational Instruction	1,447,773	1,514,153	1,474,023	40,130
Special Instruction	672,902	672,902	663,238	9,664
Other Instruction	1,909,684	1,914,733	1,848,981	65,752
Total Instruction	<u>20,966,142</u>	<u>21,038,001</u>	<u>20,340,852</u>	<u>697,149</u>
Support Services:				
Pupil Services	1,361,581	1,413,970	1,414,162	(192)
Instructional Staff Services	2,314,153	2,395,794	2,115,984	279,810
General Administration Services	560,331	560,331	489,353	70,978
Building Administration Services	2,797,651	2,778,341	2,697,437	80,904
Business Services	666,645	671,414	642,675	28,739
Operations and Maintenance	4,064,389	4,214,242	4,035,513	178,729
Pupil Transportation	1,805,999	1,792,771	1,749,626	43,145
Central Services	584,703	588,883	553,573	35,310
Insurance	499,576	499,576	477,665	21,911
Other Support Services	1,327,643	1,320,321	1,266,985	53,336
Total Support Services	<u>15,982,671</u>	<u>16,235,643</u>	<u>15,442,973</u>	<u>792,670</u>
Debt Service	686,031	686,031	846,627	(160,596)
Capital Outlay	1,455,500	1,607,857	4,104,957	(2,497,100)
Purchased and Non-Program Services	4,793,881	4,697,776	4,522,944	174,832
Total Expenditures	<u>43,884,225</u>	<u>44,265,308</u>	<u>45,258,353</u>	<u>(993,045)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,240,507</u>	<u>5,291,507</u>	<u>4,692,872</u>	<u>(598,635)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Special Education Fund	(4,604,722)	(4,655,722)	(4,554,348)	101,374
Transfer to Other Funds	(635,785)	(635,785)	(2,400,000)	(1,764,215)
Proceeds from Financed Purchases	-	-	2,317,417	2,317,417
SBITA Proceeds	-	-	198,418	198,418
Total Other Financing Sources and Uses	<u>(5,240,507)</u>	<u>(5,291,507)</u>	<u>(4,438,513)</u>	<u>852,994</u>
Net Change in Fund Balance	-	-	254,359	254,359
Fund Balance - Beginning of Year	11,999,502	11,999,502	11,999,502	-
Fund Balance - End of Year	<u>\$ 11,999,502</u>	<u>\$ 11,999,502</u>	<u>\$ 12,253,861</u>	<u>\$ 254,359</u>

See accompanying notes to the required supplementary information.

**School District of Milton  
Milton, Wisconsin**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State	\$ 1,992,314	\$ 1,992,314	\$ 2,010,362	\$ 18,048
Federal	681,307	906,035	822,259	(83,776)
Total Revenues	<u>2,673,621</u>	<u>2,898,349</u>	<u>2,832,621</u>	<u>(65,728)</u>
<b>EXPENDITURES</b>				
Instruction				
Special Instruction	5,225,216	5,322,456	5,185,137	137,319
Total Instruction	<u>5,225,216</u>	<u>5,322,456</u>	<u>5,185,137</u>	<u>137,319</u>
Support Services				
Pupil Services	975,338	993,442	992,216	1,226
Instructional Staff Services	343,889	350,489	320,948	29,541
Business Services	15,000	15,000	15,458	(458)
Operations and Maintenance	400	584	374	210
Pupil Transportation	506,500	548,678	549,797	(1,119)
Central Services	5,000	5,000	3,619	1,381
Total Support Services	<u>1,846,127</u>	<u>1,913,193</u>	<u>1,882,412</u>	<u>30,781</u>
Non-Program Services	<u>207,000</u>	<u>318,422</u>	<u>319,420</u>	<u>(998)</u>
Total Expenditures	<u>7,278,343</u>	<u>7,554,071</u>	<u>7,386,969</u>	<u>167,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,604,722)</u>	<u>(4,655,722)</u>	<u>(4,554,348)</u>	<u>101,374</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	<u>4,604,722</u>	<u>4,655,722</u>	<u>4,554,348</u>	<u>(101,374)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the required supplementary information.

**School District of Milton  
Milton, Wisconsin**

**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
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 49,951,225	\$ 2,832,621
Reclassification: Special education fund revenues are reclassified to the general fund, required for GAAP reporting	2,832,621	(2,832,621)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 52,783,846	\$ -
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 45,258,353	\$ 7,386,969
Reclassification: Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	7,386,969	(7,386,969)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 52,645,322	\$ -

See accompanying notes to the required supplementary information.

School District of Milton  
Milton, Wisconsin

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>									
Service costs	\$ 336,984	\$ 1,251,083	\$ 1,223,553	\$ 1,327,253	\$ 1,080,587	\$ 1,086,076	\$ 1,127,086	\$ 895,916	\$ 895,916
Interest	138,506	317,364	295,501	336,379	440,481	513,091	454,932	364,044	358,710
Changes of benefit terms	-	(5,987,240)	-	(1,239,739)	-	(6,211)	-	-	-
Difference between expected and actual experience	(44,308)	(2,585,099)	(83,759)	(1,537,991)	-	(2,268,245)	-	70,550	-
Changes in assumptions or other inputs	-	86,023	-	(186,306)	1,188,399	135,842	(232,257)	300,085	-
Benefit payments	(654,932)	(493,685)	(461,068)	(468,039)	(467,563)	(642,554)	(647,254)	(1,118,553)	(1,035,132)
Net change in total OPEB	(223,750)	(7,411,554)	974,227	(1,768,443)	2,241,904	(1,182,001)	702,507	512,042	219,494
Total OPEB Liability-Beginning	6,314,795	13,726,349	12,752,122	14,520,565	12,278,661	13,460,662	12,758,155	12,246,113	12,026,619
Total OPEB Liability-Ending (a)	<u>\$ 6,091,045</u>	<u>\$ 6,314,795</u>	<u>\$ 13,726,349</u>	<u>\$ 12,752,122</u>	<u>\$ 14,520,565</u>	<u>\$ 12,278,661</u>	<u>\$ 13,460,662</u>	<u>\$ 12,758,155</u>	<u>\$ 12,246,113</u>
<b>Fiduciary Net Position</b>									
Contributions - employer	\$ 1,159,282	\$ 1,283,940	\$ 499,008	\$ 856,424	\$ 496,238	\$ 846,354	\$ 1,037,011	\$ 1,097,980	\$ 1,096,681
Net investment income	248,275	66,514	11,174	9,109	27,582	36,105	17,971	8,068	4,466
Benefit payments	(654,932)	(493,685)	(461,068)	(468,039)	(467,563)	(642,554)	(647,254)	(1,118,553)	(1,035,132)
Other adjustment	-	-	-	-	-	-	-	20,503	-
Net change in fiduciary net position	752,625	856,769	49,114	397,494	56,257	239,905	407,728	7,998	66,015
Fiduciary Net Position-Beginning	4,083,832	3,227,063	3,177,949	2,780,455	2,724,198	2,484,293	2,076,565	2,068,567	2,002,552
Fiduciary Net Position-Ending (b)	<u>\$ 4,836,457</u>	<u>\$ 4,083,832</u>	<u>\$ 3,227,063</u>	<u>\$ 3,177,949</u>	<u>\$ 2,780,455</u>	<u>\$ 2,724,198</u>	<u>\$ 2,484,293</u>	<u>\$ 2,076,565</u>	<u>\$ 2,068,567</u>
<b>Net OPEB Liability</b>									
Net OPEB Liability - ending (a) - (b)	<u>\$ 1,254,588</u>	<u>\$ 2,230,963</u>	<u>\$ 10,499,286</u>	<u>\$ 9,574,173</u>	<u>\$ 11,740,110</u>	<u>\$ 9,554,463</u>	<u>\$ 10,976,369</u>	<u>\$ 10,681,590</u>	<u>\$ 10,177,546</u>
<b>Fiduciary net position as a percentage of the Total OPEB Liability</b>	79.40%	64.67%	23.51%	24.92%	19.15%	22.19%	18.46%	16.28%	16.89%
<b>Covered Employee Payroll</b>	\$ 22,338,177	\$ 22,338,177	\$ 21,701,110	\$ 21,701,110	\$ 20,417,295	\$ 20,417,295	\$ 19,204,027	\$ 19,204,027	\$ 17,426,758
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	5.62%	9.99%	48.38%	44.12%	57.50%	46.80%	57.16%	55.62%	58.40%

Schedule of District Contributions  
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$ 1,099,402	\$ 1,590,326	\$ 1,544,006	\$ 1,515,855	\$ 1,471,704	\$ 1,608,353	\$ 1,561,508	\$ 1,266,953	\$ 1,266,953
Contributions in Relation to the ADC	1,159,282	1,283,940	499,008	856,424	496,238	846,354	1,037,011	1,097,980	1,096,681
Contribution Deficiency/(Excess)	<u>\$ (59,880)</u>	<u>\$ 306,386</u>	<u>\$ 1,044,998</u>	<u>\$ 659,431</u>	<u>\$ 975,466</u>	<u>\$ 761,999</u>	<u>\$ 524,497</u>	<u>\$ 168,973</u>	<u>\$ 170,272</u>
<b>Covered-Employee Payroll</b>	\$ 22,338,177	\$ 22,338,177	\$ 21,701,110	\$ 21,701,110	\$ 20,417,295	\$ 20,417,295	\$ 19,204,027	\$ 19,204,027	\$ 17,426,758
<b>Contributions as a Percentage of Covered-Employee Payroll</b>	5.19%	5.75%	2.30%	3.95%	2.43%	4.15%	5.40%	5.72%	6.29%

Data presented as of the measurement date.

See accompanying notes to the required supplementary information.

**School District of Milton  
Milton, Wisconsin**

**District Supplemental Pension Plan Schedules  
As of the Measurement Date  
June 30, 2025**

**Schedule of Changes in Total Pension Liability and Related Ratios**

Last 10 Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes for the Year									
Service Costs	\$ 19,852	\$ 57,121	\$ 66,669	\$ 53,610	\$ 44,913	\$ 27,896	\$ 28,800	\$ 37,027	\$ 37,027
Interest	9,735	21,410	13,116	12,249	16,869	12,280	11,907	15,381	15,952
Changes of Benefit Terms	-	(265,462)	-	-	-	100,267	-	-	-
Differences Between Expected and Actual Experiences	20,845	(29,465)	-	20,032	-	55,285	-	(85,532)	-
Changes of Assumptions or Other Inputs	(1,134)	519	(58,722)	-	42,525	(6,065)	(5,588)	(79,569)	-
Benefit Payments	(56,806)	(73,210)	(54,721)	(53,063)	(39,412)	(47,937)	(46,848)	(64,551)	(79,443)
Net Change in Total Pension Liability	(7,508)	(289,087)	(33,658)	32,828	64,895	141,726	(11,729)	(177,244)	(26,464)
Total Pension Liability - Beginning	254,202	543,289	576,947	544,119	479,224	337,498	349,227	526,471	552,935
Total Pension Liability - Ending	<u>\$ 246,694</u>	<u>\$ 254,202</u>	<u>\$ 543,289</u>	<u>\$ 576,947</u>	<u>\$ 544,119</u>	<u>\$ 479,224</u>	<u>\$ 337,498</u>	<u>\$ 349,227</u>	<u>\$ 526,471</u>
Covered Payroll	\$ 22,338,177	\$ 22,338,177	\$ 6,094,568	\$ 6,094,568	\$ 5,438,073	\$ 5,438,073	\$ 4,819,713	\$ 4,819,713	\$ 4,850,579
Total Pension Liability as a Percentage of Covered Payroll	1.10%	1.14%	8.91%	9.47%	10.01%	8.81%	7.00%	7.25%	10.85%

\* Data presented as of the measurement date

See accompanying notes to the required supplementary information.

**School District of Milton  
Milton, Wisconsin**

**Wisconsin Retirement System  
June 30, 2025**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)  
As of the Measurement Date  
Last 10 Calendar Years\***

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.12159024%	\$ 1,997,928	\$ 23,795,261	8.40%	98.79%
2023	0.12893009%	1,916,940	23,645,064	8.11%	98.85%
2022	0.13194936%	6,990,286	24,097,570	29.01%	95.72%
2021	(0.13250556%)	(10,680,191)	22,708,269	(47.03%)	106.02%
2020	(0.13380206%)	(8,353,448)	21,729,975	(38.44%)	105.26%
2019	(0.13672538%)	(4,408,650)	21,583,969	(20.43%)	102.96%
2018	0.13598820%	4,838,033	21,024,884	23.01%	96.45%
2017	(0.13159675%)	(3,907,263)	20,585,052	(18.98%)	102.93%
2016	0.12609521%	1,039,326	19,129,270	5.43%	99.12%
2015	0.12496407%	2,030,642	17,510,893	11.60%	98.20%

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

**Schedule of District's Contributions  
For the Year Ended  
Last 10 Fiscal Years\*\***

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ 1,667,164	\$ (1,667,164)	\$ -	\$ 24,063,068	6.93%
2024	1,617,437	(1,617,437)	-	23,587,235	6.86%
2023	1,573,639	(1,573,639)	-	23,607,726	6.67%
2022	1,500,367	(1,500,367)	-	23,078,933	6.50%
2021	1,462,928	(1,462,928)	-	22,152,113	6.60%
2020	1,464,667	(1,464,667)	-	21,927,739	6.68%
2019	1,417,633	(1,417,633)	-	21,345,777	6.64%
2018	1,403,713	(1,403,713)	-	20,725,101	6.77%
2017	1,326,930	(1,326,930)	-	19,735,337	6.72%
2016	1,260,224	(1,260,224)	-	18,873,608	6.68%

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

**SCHOOL DISTRICT OF MILTON**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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**1. Budgetary Information**

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

Excess of Expenditures Over Appropriations

The General Fund incurred expenditures, by function, in excess of appropriations by \$10,000 or more as follows:

Fund	Function	Variance Amount
General	Capital Outlay	\$ 2,497,100
General	Debt Service	160,596

Total expenditures were \$993,045 over budget for the General Fund and \$167,102 under budget for the Special Education Fund. The General Fund’s revenues and other financing sources provided adequate resources to cover the expenditure variances.

**2. District Net OPEB Liability Schedules**

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
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	30 year Level %
Discount Rate	2.25%
Inflation	2.50%

Changes of benefit terms

There were no changes of benefit terms from the actuarial valuation performed as of June 30, 2023.

Change of assumptions

There were no changes of assumptions from the actuarial valuation performed as of June 30, 2023.

**SCHOOL DISTRICT OF MILTON**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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**3. District Supplemental Pension Plan Schedules**

Governmental Accounting Standards Board Statement No. 73 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the preceding year.

Changes of benefit terms

There were no changes of benefit terms from the actuarial valuation performed as of June 30, 2023.

Changes of assumptions

The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date (4.21%) in compliance with GASB 73. All other assumptions and methods remained unchanged from the actuarial valuation performed as of June 30, 2023.

Assets

There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

**4. Wisconsin Retirement System Schedules**

Changes of benefit terms

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

Changes of assumptions

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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 MILTON**  
**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)
<b>Actuarial Assumptions</b>					
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 MILTON**  
**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	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
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 Milton  
Milton, Wisconsin**

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

	<b>Special Revenue Trust</b>	<b>Community Service Fund</b>	<b>Total Non- Major Governmental Funds</b>
<b>ASSETS</b>			
Cash and Investments	\$ 305,550	\$ 243,620	\$ 549,170
Accounts Receivable	472	-	472
Prepaid Expenses	5,123	-	5,123
Total Assets	\$ 311,145	\$ 243,620	\$ 554,765
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 82	\$ -	\$ 82
Accrued Payroll and Related Items	-	9,518	9,518
Total Liabilities	82	9,518	9,600
 Fund Balances:			
Nonspendable	5,123	-	5,123
Assigned	305,940	234,102	540,042
Total Fund Balances	311,063	234,102	545,165
Total Liabilities and Fund Balances	\$ 311,145	\$ 243,620	\$ 554,765

**School District of Milton  
Milton, Wisconsin**

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

	<u>Special Revenue Trust</u>	<u>Community Service Fund</u>	<u>Total Non- Major Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 350,637	\$ 350,637
Other Local Sources	1,804,889	162,011	1,966,900
Total Revenues	<u>1,804,889</u>	<u>512,648</u>	<u>2,317,537</u>
 <b>EXPENDITURES</b>			
Instruction:			
Regular Instruction	243,274	-	243,274
Other Instruction	511,019	-	511,019
Total Instruction	<u>754,293</u>	<u>-</u>	<u>754,293</u>
Support Services:			
Pupil Services	372	-	372
Business Services	200	3,479	3,679
Operations and Maintenance	20,496	195,125	215,621
Pupil Transportation	108,557	-	108,557
Community Services	-	215,687	215,687
Total Support Services	<u>129,625</u>	<u>414,291</u>	<u>543,916</u>
Capital Outlay	<u>1,013,402</u>	<u>82,870</u>	<u>1,096,272</u>
Total Expenditures	<u>1,897,320</u>	<u>497,161</u>	<u>2,394,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(92,431)</u>	<u>15,487</u>	<u>(76,944)</u>
Net Change in Fund Balances	(92,431)	15,487	(76,944)
Fund Balances - Beginning of Year	403,494	218,615	622,109
Fund Balances - End of Year	<u>\$ 311,063</u>	<u>\$ 234,102</u>	<u>\$ 545,165</u>