



JOHNSON BLOCK

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**MEDFORD AREA PUBLIC SCHOOL DISTRICT
MEDFORD, WISCONSIN**

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

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Medford Area Public School District
Medford, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Medford Area Public School 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.

As discussed in Note 2 to the financial statements, the District changed the classification of the Food Service Fund from a proprietary fund to a governmental fund. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the District changed the presentation of its Capital Projects Fund, separating Fund 49 and Fund 46 from the previously combined Capital Projects Fund. Our opinion is 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 Medford Area Public School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, net OPEB liability schedules, and Wisconsin Retirement System schedules on pages 46 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

The combining 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 24, 2025

BASIC FINANCIAL STATEMENTS

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF NET POSITION**

As of June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 28,985,442
Receivables:	
Taxes	2,474,919
Accounts	29,628
Due from other governments	527,363
Total current assets	32,017,352
Noncurrent assets:	
Land	716,390
Construction in progress	721,214
Site improvements	2,503,259
Buildings and improvements	46,306,740
Furniture and equipment	3,449,499
Food service furniture and equipment	765,921
Less: Accumulated depreciation	(30,783,532)
Right to use leased assets, net of accumulated amortization	175,624
Total noncurrent assets	23,855,115
Total assets	55,872,467
Deferred Outflows of Resources	11,366,813
Total assets and deferred outflows of resources	\$ 67,239,280
Liabilities	
Current liabilities:	
Accounts payable	\$ 2,466,441
Accrued liabilities:	
Interest	154,346
Deposits payable	37,248
Due to fiduciary fund	203,194
Current portion of long-term obligations	595,300
Current portion of lease liability	29,027
Total current liabilities	3,485,556
Noncurrent liabilities:	
Long-term obligations, net of current portion	13,756,160
Lease liability, net of current portion	151,800
Compensated absences	1,912,737
Net pension liability	1,795,946
Net OPEB liability - District health insurance plan	274,980
Total noncurrent liabilities	17,891,623
Total liabilities	21,377,179
Deferred Inflows of Resources	6,457,147
Net Position	
Net investment in capital assets	13,040,332
Restricted:	
Debt service	609,606
Special revenue trust	763,454
Capital projects	17,992,390
Community service	238,089
Food service	1,032,343
Unrestricted	5,728,740
Total net position	39,404,954
Total liabilities, deferred inflows of resources, and net position	\$ 67,239,280

See accompanying notes to financial statements.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Government Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular instruction	\$ 18,628,871	\$ 153,262	\$ 545,166	\$ (17,930,443)	\$ -	\$ (17,930,443)
Vocational instruction	1,420,929	-	22,245	(1,398,684)	-	(1,398,684)
Physical instruction	1,072,924	-	42,237	(1,030,687)	-	(1,030,687)
Special education instruction	6,728,529	-	2,594,818	(4,133,711)	-	(4,133,711)
Other instruction	1,115,728	-	-	(1,115,728)	-	(1,115,728)
Total instruction	<u>28,966,981</u>	<u>153,262</u>	<u>3,204,466</u>	<u>(25,609,253)</u>	<u>-</u>	<u>(25,609,253)</u>
Support services:						
Pupil services	3,027,254	-	18,865	(3,008,389)	-	(3,008,389)
Instructional staff services	3,376,812	-	399,602	(2,977,210)	-	(2,977,210)
General administration services	1,547,215	-	-	(1,547,215)	-	(1,547,215)
Building administration services	3,061,577	-	-	(3,061,577)	-	(3,061,577)
Business services	386,489	-	-	(386,489)	-	(386,489)
Operation and maintenance	3,544,260	-	26,460	(3,517,800)	-	(3,517,800)
Pupil transportation	1,382,879	-	298,994	(1,083,885)	-	(1,083,885)
Central services	445,466	-	9,159	(436,307)	-	(436,307)
Insurance	280,283	-	-	(280,283)	-	(280,283)
Community service	1,099,691	-	681,238	(418,453)	-	(418,453)
Other support services	1,387,150	-	643	(1,386,507)	-	(1,386,507)
Food service	1,372,123	463,523	820,493	(88,107)	-	(88,107)
Interest on debt	285,491	-	-	(285,491)	-	(285,491)
Depreciation - unallocated*	563,358	-	-	(563,358)	-	(563,358)
Total support services	<u>21,760,048</u>	<u>463,523</u>	<u>2,255,454</u>	<u>(19,041,071)</u>	<u>-</u>	<u>(19,041,071)</u>
Nonprogram:						
Purchased instructional services	1,061,776	-	-	(1,061,776)	-	(1,061,776)
Other nonprogram	31,388	-	23,648	(7,740)	-	(7,740)
Post-Secondary scholarships	57,591	-	-	(57,591)	-	(57,591)
Total nonprogram	<u>1,150,755</u>	<u>-</u>	<u>23,648</u>	<u>(1,127,107)</u>	<u>-</u>	<u>(1,127,107)</u>
Total school district	<u>\$ 51,877,784</u>	<u>\$ 616,785</u>	<u>\$ 5,483,568</u>	<u>\$ (45,777,431)</u>	<u>\$ -</u>	<u>\$ (45,777,431)</u>
General revenues:						
Property taxes:						
General purpose				7,495,699	-	7,495,699
Debt service				736,907	-	736,907
Community services				380,000	-	380,000
State and federal aids not restricted to specific functions:						
General				37,609,376	-	37,609,376
Interest and investment earnings				370,013	-	370,013
Miscellaneous				1,396,717	-	1,396,717
Total general revenues				<u>47,988,712</u>	<u>-</u>	<u>47,988,712</u>
Change in net position				<u>2,211,281</u>	<u>-</u>	<u>2,211,281</u>
Net position - beginning of year, as previously stated				36,615,207	1,602,320	38,217,527
Change within financial reporting entity (business-type activity to governmental activity)				1,602,320	(1,602,320)	-
Change in accounting principle (GASB 101)				(1,023,854)	-	(1,023,854)
Net position - beginning, as restated				<u>37,193,673</u>	<u>-</u>	<u>37,193,673</u>
Net position - end of year				<u>\$ 39,404,954</u>	<u>\$ -</u>	<u>\$ 39,404,954</u>

* This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 2.B.

See accompanying notes to financial statements.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	Major Funds					Total Gov't. Funds
	General Fund	Capital Projects Fund	Capital Improvement Trust Fund	Package/ Cooperative Fund	Nonmajor Gov't. Funds	
Assets						
Cash and investments	\$ 9,485,401	\$ 12,917,983	\$ 3,717,504	\$ 145,902	\$ 2,718,652	\$ 28,985,442
Receivables:						
Taxes	2,474,919	-	-	-	-	2,474,919
Accounts	2,296	-	-	27,181	151	29,628
Due from other funds	-	-	1,700,000	-	-	1,700,000
Due from other governments	355,142	-	-	-	172,221	527,363
Total assets	<u>\$ 12,317,758</u>	<u>\$ 12,917,983</u>	<u>\$ 5,417,504</u>	<u>\$ 173,083</u>	<u>\$ 2,891,024</u>	<u>\$ 33,717,352</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 1,950,183	\$ 343,097	\$ -	117,223	\$ 55,938	\$ 2,466,441
Deposits payable	-	-	-	-	37,248	37,248
Due to other funds	1,847,334	-	-	55,860	-	1,903,194
Total liabilities	<u>3,797,517</u>	<u>343,097</u>	<u>-</u>	<u>173,083</u>	<u>93,186</u>	<u>4,406,883</u>
Fund balances						
Restricted for:						
Capital projects	-	12,574,886	5,417,504	-	-	17,992,390
District operations per donor specifications	-	-	-	-	763,454	763,454
Future community service expenditures	-	-	-	-	238,089	238,089
Debt service	-	-	-	-	763,952	763,952
Food service	-	-	-	-	1,032,343	1,032,343
Unassigned	8,520,241	-	-	-	-	8,520,241
Total fund balances	<u>8,520,241</u>	<u>12,574,886</u>	<u>5,417,504</u>	<u>-</u>	<u>2,797,838</u>	<u>29,310,469</u>
Total liabilities and fund balances	<u>\$ 12,317,758</u>	<u>\$ 12,917,983</u>	<u>\$ 5,417,504</u>	<u>\$ 173,083</u>	<u>\$ 2,891,024</u>	<u>\$ 33,717,352</u>

See accompanying notes to financial statements.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
June 30, 2025**

Total fund balances from previous page	\$ 29,310,469
<i>Total net position reported for governmental activities in the Statement of Net Position are different from the amount reported as total governmental funds' fund balance because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the Statement of Net Position are:	
Governmental capital assets	54,463,023
Governmental accumulated depreciation	(30,783,532)
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:	
Governmental right to use leased assets	472,988
Governmental accumulated amortization	(297,364)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.	
Deferred outflows of resources	11,366,813
Deferred inflows of resources	(6,457,147)
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the Statement of Net Position that are not reported in the Governmental Funds Balance Sheet are:	
General obligation debt	(14,160,000)
Lease liability	(180,827)
Unamortized bond premium	(191,460)
Accrued interest on general obligation debt	(154,346)
Net pension liability	(1,795,946)
Compensated absences	(1,912,737)
Post employment benefits - district health insurance plan	(274,980)
Total net position - governmental activities	\$ 39,404,954

See accompanying notes to financial statements.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Major Funds					Total Gov't. Funds
	General Fund	Capital Projects Fund	Capital Improvement Trust Fund	Package/ Cooperative Fund	Nonmajor Gov't. Funds	
Revenues:						
Property taxes	\$ 7,795,563	\$ -	\$ -	\$ -	\$2,240,878	\$ 10,036,441
Other local sources	-	66,815	127,940	12,753	463,523	671,031
Interdistrict sources	11,978,598	-	-	6,653,807	-	18,632,405
Intermediate sources	8,750	-	-	-	-	8,750
State sources	20,982,932	-	-	-	24,149	21,007,081
Federal sources	1,804,529	-	-	-	1,640,179	3,444,708
Other sources	278,458	-	-	-	183	278,641
Total revenues	42,848,830	66,815	127,940	6,666,560	4,368,912	54,079,057
Expenditures:						
Current:						
Instruction:						
Regular instruction	11,104,906	-	-	6,934,698	219,684	18,259,288
Vocational instruction	1,193,245	-	-	157,907	2,685	1,353,837
Physical instruction	744,068	-	-	678,064	-	1,422,132
Special education instruction	6,579,070	-	-	-	-	6,579,070
Other instruction	727,059	-	-	-	-	727,059
Total instruction	20,348,348	-	-	7,770,669	222,369	28,341,386
Support services:						
Pupil services	1,968,447	-	-	1,007,039	-	2,975,486
Instructional staff services	1,997,628	-	-	1,314,405	-	3,312,033
General administration services	523,207	-	-	933,648	74,994	1,531,849
Building administration services	1,530,251	-	-	1,093,897	384,792	3,008,940
Business services	300,240	-	-	38,116	898	339,254
Operation and maintenance	3,058,144	1,156,929	10,616	210,359	396,490	4,832,538
Pupil transportation	1,304,063	-	-	110	53,279	1,357,452
Central services	145,903	-	-	298,936	627	445,466
Insurance	223,576	-	-	56,707	-	280,283
Community service	-	-	-	-	1,079,780	1,079,780
Food service	-	-	-	-	1,263,144	1,263,144
Other support services	711,765	-	-	626,299	76,194	1,414,258
Total support services	11,763,224	1,156,929	10,616	5,579,516	3,330,198	21,840,483
Nonprogram:						
Purchased instructional services	46,898	-	-	15,908	-	62,806
Other nonprogram	1,016,365	-	-	-	-	1,016,365
Total nonprogram	1,063,263	-	-	15,908	-	1,079,171
Debt service:						
Principal	-	-	-	47,997	79,400	127,397
Interest and other fiscal charges	41,081	-	-	1,122	100,571	142,774
Total debt service	41,081	-	-	49,119	179,971	270,171
Capital outlay	279,427	-	-	280,604	20,582	580,613
Total expenditures	33,495,343	1,156,929	10,616	13,695,816	3,753,120	52,111,824
Excess (deficiency) of revenues over expenditures	9,353,487	(1,090,114)	117,324	(7,029,256)	615,792	1,967,233
Other financing sources (uses):						
Sale of fixed assets	10,006	-	-	-	-	10,006
Proceeds of long-term debt	-	13,665,000	-	-	-	13,665,000
Premium on long-term debt	-	-	-	-	201,537	201,537
Transfer from other funds	-	-	1,715,000	7,029,256	-	8,744,256
Transfer to other funds	(8,744,256)	-	-	-	-	(8,744,256)
Total other financing sources (uses)	(8,734,250)	13,665,000	1,715,000	7,029,256	201,537	13,876,543
Net change in fund balances	619,237	12,574,886	1,832,324	-	817,329	15,843,776
Fund balances - beginning of year	7,901,004	-	3,585,180	-	853,582	12,339,766
Change within financial reporting entity (proprietary fund to governmental fund)	-	-	-	-	1,126,927	1,126,927
Fund balances - beginning of year, restated	7,901,004	-	3,585,180	-	1,980,509	13,466,693
Fund balances - end of year	\$ 8,520,241	\$ 12,574,886	\$ 5,417,504	\$ -	\$ 2,797,838	\$ 29,310,469

See accompanying notes to financial statements.

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

Net change in fund balances - total governmental funds		\$ 15,843,776
Amounts reported for governmental activities in the Statement of Activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Capital outlay reported in governmental fund statements	\$ 580,613	
Asset additions not included in capital outlay	1,931,163	
Depreciation expense reported in the Statement of Activities	<u>(1,104,848)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period:		1,406,928
The District disposed of assets resulting in a reduction of capital assets and recapture of prior year depreciation and amortization expense reported on the Statement of Net Position as a net loss and having no affect on the Governmental Funds Balance Sheet.		
The value of capital assets disposed of during the year was:	(621,136)	
The value of leased assets disposed of during the year was:	(66,025)	
The amount of depreciation recapture for the year was:	324,688	
The amount of amortization recaptured for the year was:	<u>66,025</u>	
The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:		(296,448)
Right to use leased 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 the applicable lease term as annual amortization expenses in the Statement of Activities.		
Amortization expenses reported in the Statement of Activities	<u>(47,300)</u>	
Amount by which lease outlays are more (less) than amortization in the current period:		(47,300)
Long-term proceeds provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. 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.		
Principal payments on lease liabilities		47,997
Employee benefits and OPEB are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Change in other postemployment benefits, with some adjustments	9,963	
Change in compensated absences	<u>(82,045)</u>	
Amounts paid are greater (less) than amounts earned by:		(72,082)
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities.		
The amount of debt incurred in the current year is:		(13,665,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year is:		79,400
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
The amount of interest paid during the current period	142,774	
The amount of interest accrued during the current period	<u>(295,567)</u>	
Interest paid is greater (less) than interest accrued by:		(152,793)
In government funds, debt discount costs and premiums on outstanding long-term debt are reported as an expenditure or revenue when incurred. In the Statement of Activities, premiums and discounts are amortized over the life of the debt issue.		
The amount of premium incurred in the current period	(201,537)	
The amount of debt premium amortized and recognized during the current period	<u>10,077</u>	
The amount of debt premiums and discounts recognized during the current period:		(191,460)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.		
Amount of current year required contributions into the defined benefit pension plan	1,577,380	
Actuarially determined change in net pension asset/liability between years, with some adjustments	<u>(2,319,117)</u>	(741,737)
Change in net position - governmental activities		<u><u>\$ 2,211,281</u></u>

See accompanying notes to financial statements.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2025**

	Food Service
Operating revenues:	\$ -
Total operating revenues	-
Operating expenses:	-
Total operating expenses	-
Operating income (loss)	-
Change in net position	-
Net position - beginning of year	1,602,320
Change within financial reporting entity (proprietary fund to governmental fund)	(1,602,320)
Net position - beginning of year, restated	-
Net position - end of year	\$ -

See accompanying notes to financial statements.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Employee- Benefit Trust Fund
Assets	
Cash and cash equivalents	\$ 903,723
Investments	1,570,825
Due from other funds	203,194
Total assets	\$ 2,677,742
 Liabilities	 \$ -
Total liabilities	-
 Net Position	
Restricted	2,677,742
Total net position	\$ 2,677,742
 Total liabilities and net position	 \$ 2,677,742

See accompanying notes to financial statements.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

		Employee- Benefit Trust Fund
Additions		
Contributions	\$	297,454
Investment income (loss):		
Interest and dividends		72,780
Net change in fair value		95,185
Less - Investment expense		(15,603)
Net investment income		152,362
Total additions		449,816
 Deductions		
Payment of benefits to trust fund participants		348,450
Implicit rate subsidy		94,261
Total deductions		442,711
 Change in net position		7,105
 Net position - beginning of year		2,670,637
Net position - end of year	\$	2,677,742

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
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June 30, 2025**

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MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Medford Area Public School District conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

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

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

District-Wide Financial Statements

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements

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

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

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

Governmental Funds

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

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

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Package/Cooperative Fund is used to account for tuition charges to other districts for their students’ involvement in the Rural Virtual Academy (RVA) distance learning program.

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental Funds (Continued)

The District reports the following major governmental funds:

- General Fund
- Capital Projects Fund
- Capital Improvement Trust Fund
- Special Revenue Funds:
 - Package/Cooperative Fund

The District reports the following nonmajor governmental funds:

- Debt Service Fund
- Food Service Fund
- Special Revenue Fund:
 - Special Revenue Trust Fund
 - Community Service Fund

Fiduciary Funds (Not included in District-Wide Statements)

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

The District reports the following fiduciary funds:

Employee-Benefit Trust Fund – This is a separate accounting fund for reporting resources set aside and held in a trust arrangement for post-employment benefits.

C. BASIS OF ACCOUNTING

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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

Property tax revenues are recognized as revenue in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 31, the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

Property taxes are collected by local taxing districts until January 31. Real estate tax collections after that date are made by the county, which assumes all responsibility for delinquent real estate taxes.

The aggregate amount of property taxes to be levied for district purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1. Taxes are levied in December on the equalized value as of the prior January 1.

Property tax calendar – 2024 tax roll:

Lien date and levy date	December, 2024
Tax bills mailed	December, 2024
Payment in full or first installment due	January 31, 2025
Second installment due	July 31, 2025

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

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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

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

D. MEASUREMENT FOCUS

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

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

E. CASH AND INVESTMENTS

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

F. INVENTORIES AND PREPAID EXPENSES

Governmental fund inventories are recorded at cost based on the FIFO (first-in, first-out) method using the consumption method of accounting.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. LONG-TERM OBLIGATIONS

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

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

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. Debt issuance costs are recognized in the current period for the government-wide and governmental fund statements.

H. CAPITAL ASSETS

District-Wide Statements

In the District-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated acquisition value at the date of donation. The District maintains a threshold level of a unit cost of \$5,000 or more for capitalizing capital assets.

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

Site improvements	10 - 20 years
Buildings	50 years
Building improvements	20 years
Furniture and equipment	5 - 15 years
Computer and related technology	5 years
Library books	7 years

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

Fund Financial Statements

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. RIGHT TO USE LEASED ASSETS

Right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

J. INTERFUND RECEIVABLES AND PAYABLES

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

K. BUDGETS

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

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

L. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

M. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. CLAIMS AND JUDGMENTS

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

O. INTERFUND TRANSACTIONS

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

P. PENSIONS

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

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

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

Q. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (revenue), information about the fiduciary net position of the District Post Employment Trust ("Plan") and additions to/deductions from the 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. Investments are reported at fair value, except for money market investments and interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system of \$9,804,644 and the OPEB of \$1,562,169.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has items that qualify for reporting in this category. The deferred inflows of resources are for the WRS pension system of \$5,325,589, and the OPEB of \$1,131,558.

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

S. EQUITY CLASSIFICATIONS

District-Wide Statements

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

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

Fund Statements

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

- a. Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by either 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the Board of Education. A formal resolution by a majority vote (2/3) of the Board of Education is required to establish, modify, or rescind a fund balance commitment.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. EQUITY CLASSIFICATIONS (Continued)

Fund Statements (Continued)

- d. Assigned – amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education delegates to the Director of Business Services or his/her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- e. Unassigned – the residual classification for the General Fund representing amounts not restricted, committed, or assigned to specific purposes. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When the District incurs an expenditure for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the District’s policy to use committed fund balance, assigned fund balance, and finally unassigned fund balance.

Minimum fund balance policy: The District will maintain a minimum unassigned fund balance in its General Fund ranging from 15 to 20% of the subsequent year’s budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Surplus fund balance: Should unassigned fund balance of the General Fund ever exceed the 20% range noted in the minimum fund balance policy, the excess will be considered for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

T. CHANGES IN ACCOUNTING PRINCIPLES

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

Investment of the trust funds in the employee benefit trust fund is regulated by Wisconsin Statutes Chapter 881 and this guidance allows investment in equity securities, bonds and debentures.

The carrying amount of the District's cash and investments totaled \$31,459,990 on June 30, 2025 and is summarized below:

Deposits with financial institutions	\$ 15,655,574
Petty cash funds	165
Nicolet Trust	903,723
MidAmerica Trust	411,720
Investments:	
Nicolet Trust	1,570,825
WISC	12,917,983
	\$ 31,459,990

Reconciliation to the basic financial statements:

District-Wide Statement of Net Position:	
Cash and investments	\$ 28,985,442
Fiduciary funds:	
Cash and cash equivalents	903,723
Investments	1,570,825
	\$ 31,459,990

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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

The District uses the following hierarchical disclosure framework:

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

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

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

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

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

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

	Assets at Fair Value as of June 30, 2025	
	Fair Value	Level 1
Bond mutual funds	\$ 1,066,683	\$ 1,066,683
Equity mutual funds	504,142	504,142
Total Investments by Fair Value Level	\$ 1,570,825	\$ 1,570,825

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits and investments are held. Formal written custodial risk policies have not been adopted by the District. As of June 30, 2025, \$18,095,760 of the District's deposits and investments with financial institutions totaling \$19,894,574 were uninsured. \$15,647,644 of the uninsured deposits are collateralized by a letter of credit with a fair value of \$16,710,167. The remaining \$2,448,116 is uncollateralized. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. The investments of the Employee Benefit Trust Fund had an average maturity of 6.6 years and a fair value of \$1,570,825.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statutes limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The District does not have a formal investment policy that would further limit its investment choices. The investments of the employee benefit trust fund are as follows:

	Fair Value	Aaa	Aa	A	Moody's		B	Below B	Not Rated
					Bbb	Bb			
Mutual Bond Funds	\$ 857,901	\$ 60,307	\$ 407,156	\$ 95,044	\$ 213,765	\$ 47,804	\$ 32,033	\$ 1,265	\$ 527
Total Investments to be Rated	857,901	\$ 60,307	\$ 407,156	\$ 95,044	\$ 213,765	\$ 47,804	\$ 32,033	\$ 1,265	\$ 527
U.S. Government Obligations	203,809								
Cash Equivalents	4,973								
Equity Mutual Funds	504,142								
Total Investments Not Required to be Rated	712,924								
Total Investments	\$ 1,570,825								

Concentration of Credit Risk – The District does not have a formal investment policy for the concentration of credit risk. The District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total District investments.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

B. CAPITAL ASSETS

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

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 716,390	\$ -	\$ -	\$ 716,390
Construction work in progress	-	721,214	-	721,214
Total capital assets not being depreciated	<u>716,390</u>	<u>721,214</u>	<u>-</u>	<u>1,437,604</u>
Capital assets being depreciated:				
Building and improvements	45,649,373	949,095	291,728	46,306,740
Furniture and equipment	3,210,777	396,126	157,404	3,449,499
Site improvements	2,256,168	397,091	150,000	2,503,259
Food service furniture and equipment	739,675	48,250	22,004	765,921
Total capital assets being depreciated	<u>51,855,993</u>	<u>1,790,562</u>	<u>621,136</u>	<u>53,025,419</u>
Less: Accumulated depreciation for:				
Building and improvements	(27,646,439)	(758,289)	(5,834)	(28,398,894)
Furniture and equipment	(1,668,704)	(211,069)	(146,850)	(1,732,923)
Site improvements	(423,947)	(93,671)	(150,000)	(367,618)
Food service furniture and equipment	(264,282)	(41,819)	(22,004)	(284,097)
Total accumulated depreciation	<u>(30,003,372)</u>	<u>(1,104,848)</u>	<u>(324,688)</u>	<u>(30,783,532)</u>
Net capital assets - governmental activities	<u>\$ 22,569,011</u>	<u>\$ 1,406,928</u>	<u>\$ 296,448</u>	<u>\$ 23,679,491</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

 Instruction:

Regular	\$ 683
Vocational	38,589
Special education	1,261
Other instruction	3,373

 Support services:

Pupil services	4,129
Instructional staff services	15,680
School administration services	4,492
Operation and maintenance	381,126
Pupil transportation services	22,971
Other support services	27,367

 Food service
 41,819 |

 Unallocated
 563,358 |

 Total depreciation expense - governmental activities
 \$ 1,104,848 |

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

B. CAPITAL ASSETS (Continued)

Right to use leased asset activity for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental activities:				
Right to use leased assets being amortized				
Buildings	\$ 472,988	\$ -	\$ -	\$ 472,988
Equipment	66,025	-	66,025	-
Total right to use leased assets being amortized	<u>539,013</u>	<u>-</u>	<u>66,025</u>	<u>472,988</u>
Less: Accumulated amortization for:				
Buildings	(250,064)	(47,300)	-	(297,364)
Equipment	(66,025)	-	(66,025)	-
Total accumulated amortization	<u>(316,089)</u>	<u>(47,300)</u>	<u>(66,025)</u>	<u>(297,364)</u>
Net right to use leased assets	<u>\$ 222,924</u>	<u>\$ (47,300)</u>	<u>\$ -</u>	<u>\$ 175,624</u>

Amortization expense was charged to the governmental activities functions as follows:

Support services:	
Business services	\$ 47,300
Total amortization expense - governmental activities	<u>\$ 47,300</u>

C. INTERFUND ACTIVITY

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

Receivable Fund	Payable Fund	Purpose	Amount
Capital Improvements Trust Fund	General Fund	Contribution to Trust	\$ 1,700,000
Employee Benefits Trust Fund	General Fund	Contribution to Trust	147,334
Employee Benefits Trust Fund	Package/Cooperative Fund	Contribution to Trust	55,860

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

Transfer from:	Transfer to:	Purpose:	Total
General Fund	Package/Cooperative Fund	To finance operations	\$ 7,029,256
General Fund	Capital Improvements Trust Fund	To finance future capital projects	1,715,000
			<u>\$ 8,744,256</u>

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

D. SHORT-TERM OBLIGATIONS

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

	Balance 7/1/2024	Additions	Removals	Balance 6/30/2025
Line of credit, issued August 23, 2024, 6.35% interest rate, due August 23, 2025.	\$ -	\$ 8,300,000	\$ 8,300,000	\$ -
Total short-term borrowing	<u>\$ -</u>	<u>\$ 8,300,000</u>	<u>\$ 8,300,000</u>	<u>\$ -</u>

The District has an \$8,500,000 line of credit from a local bank to be used for cash flow purposes. Borrowings under the line of credit are due upon demand, and the line of credit is subject to annual renewal. The District incurred interest of \$41,081 during the 2024-2025 school year. Subsequent to year end the line of credit was renewed for the 2025-26 school year.

E. LONG-TERM OBLIGATIONS

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

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Amounts Due Within One Year
Bonds, notes and loans payable:					
General obligation debt	\$ 574,400	\$ 13,665,000	\$ 79,400	\$ 14,160,000	\$ 595,300
Premium on long-term debt	-	201,537	10,077	191,460	-
Total bonds, notes and loans payable	<u>574,400</u>	<u>13,866,537</u>	<u>89,477</u>	<u>14,351,460</u>	<u>595,300</u>
Other liabilities:					
Compensated absences*	1,830,692	82,045	-	1,912,737	-
Total other liabilities	<u>1,830,692</u>	<u>82,045</u>	<u>-</u>	<u>1,912,737</u>	<u>-</u>
Total long-term liabilities	<u>\$ 2,405,092</u>	<u>\$ 13,948,582</u>	<u>\$ 89,477</u>	<u>\$ 16,264,197</u>	<u>\$ 595,300</u>

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

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

General obligation debt at June 30, 2025 is comprised of the following individual issue:

Type	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance Outstanding 6/30/2025
General obligation promissory note 2021	7/6/2021	4/1/2031	1.10%	\$ 805,600	\$ 495,000
General obligation promissory note 2025	4/3/2025	4/1/2045	4.25-5%	13,665,000	13,665,000
Total general obligation debt					<u>\$ 14,160,000</u>

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM OBLIGATIONS (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 595,300	\$ 620,049	\$ 1,215,349
2027	81,100	608,037	689,137
2028	82,000	607,145	689,145
2029	82,900	606,243	689,143
2030	83,900	605,331	689,231
2031-2035	84,800	3,018,308	3,103,108
2036-2040	5,545,000	2,538,375	8,083,375
2041-2045	7,605,000	988,174	8,593,174
	<u>\$ 14,160,000</u>	<u>\$ 9,591,662</u>	<u>\$ 23,751,662</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed ten percent of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2025, was \$146,470,744. Total general obligation debt outstanding at year end was \$14,160,000.

F. LEASES

The District has entered into lease agreements as a lessee. The leases allow the right to use building space and equipment for the terms of the lease. The lease rates, terms, and ending lease liability are as follows:

Description	Final Maturity	Interest Rate	Original Indebtedness	Balance Outstanding 6/30/2025
Taylor County Lease Agreement (RVA Office)	7/16/2030	3.50%	\$ 292,708	\$ 180,827
Total				<u>\$ 180,827</u>

Lease liability activity for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Amounts Due Within One Year
Lease Liability	\$ 228,824	\$ -	\$ 47,997	\$ 180,827	\$ 29,027

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

F. LEASES (Continued)

Debt service requirements to maturity on leased assets are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 29,027	\$ 1,053	\$ 30,080
2027	29,463	1,069	30,532
2028	29,905	1,085	30,990
2029	30,353	1,101	31,454
2030	30,808	1,117	31,925
2031	31,271	1,134	32,405
	<u>\$ 180,827</u>	<u>\$ 6,559</u>	<u>\$ 187,386</u>

Lease expense for the year ended June 30, 2025 was reflected in the statement of activities as follows:

	Year Ending 6/30/2025
Lease expense	
Amortization expense by class of underlying asset	
Buildings	\$ 47,300
Total amortization expense	47,300
Interest on lease liabilities	1,122
Total lease expense	<u>\$ 48,422</u>

G. OTHER POSTEMPLOYMENT BENEFITS

Medford Area School District reports its liability for other post-employment benefits based on an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

General Information about the OPEB Plan

Description of the Plan. The Medford Area Public School District’s Post Employment Trust (“Plan”) provides other postemployment benefits (OPEB) benefits to eligible retirees and their spouses, currently this consists of teachers, administrators, and support staff. The District’s Plan is a single-employer defined benefit post-employment welfare benefits plan. The Plan’s authority is governed by the trust document and the laws of the State of Wisconsin. Amendments to the Plan may be made at any time by the District, who is the sole trustee of the Plan. The Plan does not issue a publicly available financial report.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan membership (as of the June 30, 2024 measurement date):

Retirees	21
Active employees - Not Fully Eligible	345
Active employees - Fully Eligible	<u>22</u>
	<u><u>388</u></u>

Benefits Provided. The Plan provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan. The trust document grants the District the authority to establish and amend the benefit terms.

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Percent of Premium	Administrators	Teachers	Support Staff
Employer	90% if hired prior to 7/1/2004 for a period of 8 years Specific credit if hired 7/1/2004 to 7/1/2005	\$39,160 for 15 years of service \$41,160 for 20 years of service \$43,160 for 25 years of service \$48,160 for 30 years of service	Up to a total of \$17,000 \$18,000 for 20 years of service \$19,000 for 25 years of service \$21,000 for 30 years of service
Employee	Hired prior to 7/1/2004 - 10% Hired 7/1/2004 to 7/1/2005: amounts in excess of employer amounts noted above.	Amounts in excess of the employer amounts noted above	Amounts in excess of the employer amounts noted above

Note: This credit is paid as a lump sum upon retirement into an HRA account held within the District's Irrevocable Trust.

Covered employee groups must meet the following eligibility guidelines:

Administration: Must be at least 55 years of age with a minimum of 12 years of service in the District or no less than a total of 25 years of teaching and administrative experience in the District. See table for contribution amounts and percentages the District will contribute towards medical premiums on behalf of this retiree until Medicare-eligibility or death, whichever occurs first.

Teachers: Must be at least 55 years of age with a minimum of 15 years of service in the District. See table for contribution amounts and percentages the District will contribute towards medical premiums on behalf of this retiree until Medicare-eligibility or death, whichever occurs first.

Support staff: Must be at least 55 years of age with a minimum of 15 years of service in the District. See table for contribution amounts and percentages the District will contribute towards medical premiums on behalf of this retiree until Medicare-eligibility or death, whichever occurs first.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Contributions. The District shall make contributions to the trust from time to time, as it deems appropriate or legally required. The District has no legal obligation to contribute to the trust. Prior to the July 1, 2015 measurement period, the Plan was fully funded by making actuarially determined contributions to the Plan. The only Plan members required to contribute are the administrators hired prior to 7/1/2004 as noted in the previous table. For the year ended June 30, 2025, plan members contributed \$0 or 0% of total premiums.

Implicit rate subsidy. This exists when an employee's retirees and current employees are covered together as a group wherein the premium rate or equivalent rate paid by the retirees may be lower than they would if the retirees were rated separately.

Of eligible Administrators hired between July 4, 2004 and July 1, 2005 and Teachers hired prior to July 1, 2020 who are currently electing coverage on the District's group health plan, 60% were assumed to use their medical credit to remain on the District's plan. Further, one-half of these individuals (i.e. 30%) were assumed to remain on the District's plan upon exhaustion of their credit by self-paying the full amount (100%) of the Support Staff hired prior to July 1, 2020, who are currently electing coverage, 30% were assumed to use their credit to remain on the District's plan and one-half of these individuals (i.e. 15%) were assumed to remain on the plan until Medicare eligibility upon exhaustion of their credit, if retiring prior to July 1, 2026.

20% of Administrators hired after July 1, 2005 and Teachers and Support Staff hired after July 1, 2020, currently electing coverage were assumed to continue to participate in the District's group medical plan in retirement for 18 months at the Single coverage level. The liability incurred on behalf of the above assumptions was calculated and included in the valuation.

Investments

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the District by a majority vote of its members. It is the policy of the Plan to invest in assets as permitted by Wisconsin State Statutes.

Concentrations. The Plan did not have any investments that represent 5 percent or more of the OPEB Plan's fiduciary net position.

Receivables

As of June 30, 2025, the Plan reported \$203,194 as an amount due from other funds; this represents contributions receivable to the Plan as of June 30, 2025.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Changes in the Net OPEB Liability			
Balance at 6/30/2023	\$ 3,538,876	\$ 2,542,101	\$ 996,775
Changes for the year:			
Service cost	202,564	-	202,564
Interest	133,139	-	133,139
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(64,596)	-	(64,596)
Changes in assumptions or other inputs	(241,009)	-	(241,009)
Contributions - employer	-	609,676	(609,676)
Net investment income	-	142,217	(142,217)
Benefit payments	(623,358)	(623,358)	-
Net Changes	(593,260)	128,535	(721,795)
Balance at 6/30/2024	\$ 2,945,616	\$ 2,670,636	\$ 274,980

Net OPEB Liability

The District's net OPEB liability (asset) of \$274,980 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions. The net OPEB liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3 percent, average, including inflation
Discount rate	5.58 percent
Healthcare cost trend rates	7 percent decreasing by 0.10% per year down to 4.5%, and level thereafter

Mortality rates were based on the Wisconsin 2021 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale.

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The discount rate of 5.58% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a municipal bond rate of 5.58%). The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the net OPEB liability (asset) of the District, as well as what the District's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.58 percent) or 1-percentage-point higher (6.58 percent) than the current discount rate:

	1% Decrease 4.58%	Current Discount Rate 5.58%	1% Increase 6.58%
Net OPEB Liability (Asset)	\$ 433,441	\$ 274,980	\$ 122,460

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

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB Liability (Asset)	\$ 226,081	\$ 274,980	\$ 328,112

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

For the year ended June 30, 2025, the District recognized an OPEB expense of \$287,491. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

Gain / Loss	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 895,029	\$ (619,072)
Changes of assumptions or other inputs	329,857	(512,486)
Net difference between projected and actual earnings on OPEB plan investments	39,829	-
District contributions subsequent to the measurement date	297,454	-
Total	\$ 1,562,169	\$ (1,131,558)

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$297,454 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2025	\$ 50,003
2026	100,482
2027	45,083
2028	41,032
2029	55,678
Thereafter	(159,121)
	<u>\$ 133,157</u>

Payable to the OPEB Plan

At June 30, 2025, the District reported a payable of \$203,194 for the 2024-2025 contribution to the OPEB plan.

H. PENSION PLAN

General Information about the Pension Plan

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

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

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

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

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

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.

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

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

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 \$1,577,380 in contributions from the employer.

Contribution rates as of June 30, 2025 are:

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

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

At June 30, 2025, the District reported a liability (asset) of \$1,795,946 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.10929799%, which was an increase of 0.00048701% from its proportion measured as of December 31, 2023.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$2,378,557. 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	\$ 5,577,397	\$ (5,241,004)
Net differences between projected and actual earnings on pension plan investments	2,729,036	-
Changes in assumptions	532,892	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(84,585)
Employer contributions subsequent to the measurement date	965,319	-
Total	\$ 9,804,644	\$ (5,325,589)

\$965,319 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 1,041,299
2027	3,695,023
2028	(932,935)
2029	(289,651)
2030	-
Total	\$ 3,513,736

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

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 payments.

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

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:

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

Asset Allocation Targets and Expected Returns¹

As of December 31, 2024

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

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

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

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

H. PENSION PLAN (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the Net Pension Liability (Asset), calculated using the discount rate of 6.8%, as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

	1% Decrease 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)	\$ 16,848,326	\$ 1,795,946	\$ (8,898,337)

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

Payables to the Pension Plan

At June 30, 2025, the District had \$522,855 of contributions due to the pension plan at year end.

I. GOVERNMENTAL FUND BALANCES

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

Restricted

Major Funds:

Capital projects	\$ 12,574,886
Capital improvement trust fund	5,417,504

Nonmajor Funds:

Special revenue trust - restricted donations	763,454
Debt service	763,952
Community service	238,089
Food Service	1,032,343
Total restricted fund balances	20,790,228

Unassigned

Major Fund:

General fund	8,520,241
Total unassigned fund balance	8,520,241
Total governmental fund balances	\$ 29,310,469

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

J. CHANGE IN REPORTING ENTITY

Change in Fund Presentation

In the current year, the District began presenting Fund 49, Capital Projects, and Fund 46, Capital Improvement Trust Fund, as separate funds. In prior years, these funds were combined and reported as a single Capital Projects Fund. This change was made to improve transparency and align with common practice among Wisconsin school districts. No restatement of beginning fund balance was required for this change.

Change in Reporting Entity

Effective July 1, 2024, the District reclassified the Food Service Fund from a propriety fund to a governmental special revenue fund. This change was made to better reflect the nature of the fund's operations and align with DPI guidance. As a result, beginning fund balance and net position were restated.

NOTE 3. OTHER INFORMATION

A. RISK MANAGEMENT

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

B. COMMITMENTS AND CONTINGENCIES

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

In March 2025, the District entered into construction contracts for \$1,118,911. Of that amount, \$995,184 has not been incurred as of June 30, 2025, representing a significant future contract for the District.

C. LIMITATION OF SCHOOL DISTRICT REVENUES

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

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

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

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3. OTHER INFORMATION (Continued)

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

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

E. PRIOD PERIOD ADJUSTMENTS

Prior period adjustments have been recorded for the change in accounting principle, and the change in fund type classification effective July 1, 2024, as follows:

	Reporting Units Affected by Adjustments to			
	Funds		Government-Wide	
	Food Service Fund (Governmental)	Food Service Fund (Proprietary Fund)	Governmental Activities	Business Type Activities
Fund Balance / Net position, as previously reported	\$ -	\$ 1,602,320	\$ 36,615,207	\$ 1,602,320
Change in accounting principle (GASB 101)	-	-	(1,023,854)	-
Change in fund type classification (business activity to governmental activity)	1,126,927	(1,602,320)	1,602,320	(1,602,320)
Fund Balance / Net position, as restated	<u>\$ 1,126,927</u>	<u>\$ -</u>	<u>\$ 37,193,673</u>	<u>\$ -</u>

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

The change in fund type classification of the Food Service Fund from a proprietary fund to a governmental special revenue fund required net position in the governmental activities to be increased, and net position in the business-type activity to be decreased.

REQUIRED SUPPLEMENTARY INFORMATION

MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Local sources	\$ 7,637,480	\$ 7,637,480	\$ 7,795,563	\$ 158,083
Interdistrict sources	11,505,000	11,505,000	11,912,842	407,842
Intermediate sources	-	-	4,524	4,524
State sources	18,415,765	18,415,765	18,560,881	145,116
Federal sources	702,587	702,587	912,560	209,973
Other sources	53,000	53,000	278,458	225,458
Total revenues	<u>38,313,832</u>	<u>38,313,832</u>	<u>39,464,828</u>	<u>1,150,996</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	10,993,164	10,993,164	11,104,906	(111,742)
Vocational instruction	1,183,894	1,183,894	1,193,245	(9,351)
Physical instruction	693,560	693,560	744,068	(50,508)
Other instruction	769,332	769,332	727,059	42,273
Total instruction	<u>13,639,950</u>	<u>13,639,950</u>	<u>13,769,278</u>	<u>(129,328)</u>
Support services:				
Pupil services	694,991	694,991	613,322	81,669
Instructional staff services	1,643,346	1,643,346	1,621,261	22,085
General administration services	375,076	375,076	521,841	(146,765)
Building administration services	1,516,626	1,516,626	1,530,251	(13,625)
Business services	297,718	297,718	286,860	10,858
Operation and maintenance	3,007,069	3,007,069	3,039,850	(32,781)
Pupil transportation	1,352,076	1,352,076	1,142,139	209,937
Central services	135,800	135,800	137,371	(1,571)
Insurance	214,776	214,776	223,445	(8,669)
Other support services	841,049	841,049	711,765	129,284
Total support services	<u>10,078,527</u>	<u>10,078,527</u>	<u>9,828,105</u>	<u>250,422</u>
Nonprogram:				
Purchased instructional services	-	-	4,539	(4,539)
Other nonprogram	953,375	953,375	1,016,365	(62,990)
Total nonprogram	<u>953,375</u>	<u>953,375</u>	<u>1,020,904</u>	<u>(67,529)</u>
Debt service:				
Interest	85,000	85,000	41,081	43,919
Total debt service	<u>85,000</u>	<u>85,000</u>	<u>41,081</u>	<u>43,919</u>
Capital outlay	<u>31,087</u>	<u>31,087</u>	<u>138,376</u>	<u>(107,289)</u>
Total expenditures	<u>24,787,939</u>	<u>24,787,939</u>	<u>24,797,744</u>	<u>(9,805)</u>
Excess (deficiency) of revenues over expenditures	<u>13,525,893</u>	<u>13,525,893</u>	<u>14,667,084</u>	<u>1,141,191</u>
Other financing sources (uses):				
Sale of fixed assets	4,000	4,000	10,006	6,006
Transfer to other funds	(13,529,893)	(13,529,893)	(14,057,853)	(527,960)
Total other financing sources (uses)	<u>(13,525,893)</u>	<u>(13,525,893)</u>	<u>(14,047,847)</u>	<u>(521,954)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>619,237</u>	<u>619,237</u>
Fund balance - beginning of year	<u>7,901,004</u>	<u>7,901,004</u>	<u>7,901,004</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,901,004</u>	<u>\$ 7,901,004</u>	<u>\$ 8,520,241</u>	<u>\$ 619,237</u>

See notes to required supplementary information.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
Interdistrict sources	\$ 58,000	\$ 58,000	\$ 65,756	\$ 7,756
Intermediate sources	4,000	4,000	4,226	226
State sources	2,412,857	2,412,857	2,422,051	9,194
Federal sources	854,437	854,437	891,969	37,532
Total revenues	<u>3,329,294</u>	<u>3,329,294</u>	<u>3,384,002</u>	<u>54,708</u>
Expenditures:				
Current:				
Instruction:				
Special education instruction	6,943,165	6,943,165	6,579,070	364,095
Total instruction	<u>6,943,165</u>	<u>6,943,165</u>	<u>6,579,070</u>	<u>364,095</u>
Support services:				
Pupil services	1,336,300	1,336,300	1,355,125	(18,825)
Instructional staff services	409,003	409,003	376,367	32,636
General administration services	-	-	1,366	(1,366)
Business services	13,380	13,380	13,380	-
Operation and maintenance	20,000	20,000	18,294	1,706
Pupil transportation	147,670	147,670	161,924	(14,254)
Central services	6,500	6,500	8,532	(2,032)
Insurance	-	-	131	(131)
Total support services	<u>1,932,853</u>	<u>1,932,853</u>	<u>1,935,119</u>	<u>(2,266)</u>
Nonprogram:				
Purchased instructional services	34,026	34,026	42,359	(8,333)
Total nonprogram	<u>34,026</u>	<u>34,026</u>	<u>42,359</u>	<u>(8,333)</u>
Capital outlay	<u>146,066</u>	<u>146,066</u>	<u>141,051</u>	<u>5,015</u>
Total expenditures	<u>9,056,110</u>	<u>9,056,110</u>	<u>8,697,599</u>	<u>358,511</u>
Excess (deficiency) of revenues over expenditures	<u>(5,726,816)</u>	<u>(5,726,816)</u>	<u>(5,313,597)</u>	<u>413,219</u>
Other financing sources (uses):				
Transfer from other funds	5,726,816	5,726,816	5,313,597	(413,219)
Total other financing sources (uses)	<u>5,726,816</u>	<u>5,726,816</u>	<u>5,313,597</u>	<u>(413,219)</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 notes to required supplementary information.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PACKAGE/COOPERATIVE FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ -	\$ 12,753	\$ 12,753
Interdistrict sources	6,328,195	6,328,195	6,653,807	325,612
Total revenues	6,328,195	6,328,195	6,666,560	338,365
Expenditures:				
Current:				
Instruction:				
Regular instruction	6,495,240	6,495,240	6,934,698	(439,458)
Vocational instruction	139,537	139,537	157,907	(18,370)
Physical instruction	486,581	486,581	678,064	(191,483)
Total instruction	7,121,358	7,121,358	7,770,669	(649,311)
Support services:				
Pupil services	1,322,101	1,322,101	1,007,039	315,062
Instructional staff services	2,608,729	2,608,729	1,314,405	1,294,324
General administration services	414,351	414,351	933,648	(519,297)
Building administration services	1,222,660	1,222,660	1,093,897	128,763
Business services	56,554	56,554	38,116	18,438
Operation and maintenance	182,163	182,163	210,359	(28,196)
Pupil transportation	-	-	110	(110)
Central services	320,000	320,000	298,936	21,064
Insurance	66,935	66,935	56,707	10,228
Other support services	731,421	731,421	626,299	105,122
Total support services	6,924,914	6,924,914	5,579,516	1,345,398
Nonprogram:				
Purchased instructional services	-	-	15,908	(15,908)
Total nonprogram	-	-	15,908	(15,908)
Capital outlay	-	-	280,604	(280,604)
Debt service:				
Principal	-	-	47,997	(47,997)
Interest and other fiscal charges	70,000	70,000	1,122	68,878
Total debt service	70,000	70,000	49,119	20,881
Total expenditures	14,116,272	14,116,272	13,695,816	420,456
Excess (deficiency) of				
revenues over expenditures	(7,788,077)	(7,788,077)	(7,029,256)	758,821
Other financing sources (uses):				
Transfer from other funds	7,788,077	7,788,077	7,029,256	(758,821)
Total other financing				
sources (uses)	7,788,077	7,788,077	7,029,256	(758,821)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

See notes to required supplementary information.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS
AND GAAP REVENUES AND EXPENDITURES
For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts of total revenues from the budgetary comparison schedules	\$ 39,464,828	\$ 3,384,002
Reclassification: Special Education Fund revenues are reclassified to the General Fund, required for GAAP reporting	<u>3,384,002</u>	<u>(3,384,002)</u>
General Fund revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 42,848,830</u>	<u>\$ -</u>
B) Uses/Outflows of Resources:		
Actual amounts of total expenditures from the budgetary comparison schedules	\$ 24,797,744	\$ 8,697,599
Reclassification: Special Education Fund expenditures are reclassified to the General Fund, required for GAAP reporting	<u>8,697,599</u>	<u>(8,697,599)</u>
General Fund expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 33,495,343</u>	<u>\$ -</u>

See notes to required supplementary information.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY - HEALTHCARE 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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service costs	\$ 202,564	\$ 194,773	\$ 320,928	\$ 313,866	\$ 323,154	\$ 300,740	\$ 188,401	\$ 202,459	\$ 202,459
Interest	133,139	133,450	108,370	113,593	167,847	174,266	115,718	106,738	112,868
Changes in benefit terms	-	-	4,319	-	(290,656)	-	258,970	-	-
Difference between expected and actual experience	(64,596)	420,472	(727,280)	-	502,732	-	498,057	-	-
Changes in assumptions or other inputs	(241,009)	-	(343,299)	-	75,740	64,093	538,919	(77,829)	-
Benefit payments	(623,358)	(897,371)	(662,920)	(663,333)	(379,135)	(424,393)	(206,345)	(745,772)	(293,519)
Net change in total OPEB	(593,260)	(148,676)	(1,299,882)	(235,874)	399,682	114,706	1,393,720	(514,404)	21,808
Total OPEB Liability-Beginning	3,538,876	3,687,552	4,987,434	5,223,308	4,823,308	4,708,920	3,315,200	3,829,604	3,807,796
Total OPEB Liability-Ending (a)	\$ 2,945,616	\$ 3,538,876	\$ 3,687,552	\$ 4,987,434	\$ 5,223,308	\$ 4,823,626	\$ 4,708,920	\$ 3,315,200	\$ 3,829,604
Fiduciary Net Position									
Contributions - employer	\$ 609,676	\$ 801,565	\$ 427,045	\$ 427,045	\$ 162,034	\$ 63,090	\$ 80,467	\$ 50,267	\$ 22,774
Net investment income	142,217	80,127	(212,003)	315,566	87,193	134,705	113,058	204,445	50,997
Benefit payments	(623,358)	(897,371)	(662,920)	(663,333)	(379,135)	(424,393)	(206,345)	(745,772)	(293,519)
Net change in fiduciary net position	128,535	(15,679)	(447,878)	79,278	(129,908)	(226,598)	(12,820)	(491,060)	(219,748)
Fiduciary Net Position-Beginning	2,542,101	2,557,780	3,005,658	2,926,380	3,056,288	3,282,886	3,295,706	3,786,766	4,006,514
Fiduciary Net Position-Ending (b)	\$ 2,670,636	\$ 2,542,101	\$ 2,557,780	\$ 3,005,658	\$ 2,926,380	\$ 3,056,288	\$ 3,282,886	\$ 3,295,706	\$ 3,786,766
Net OPEB Liability									
Net OPEB Liability - ending (a) - (b)	\$ 274,980	\$ 996,775	\$ 1,129,772	\$ 1,981,776	\$ 2,296,928	\$ 1,767,338	\$ 1,426,034	\$ 19,494	\$ 42,838
Fiduciary net position as a percentage of the Total OPEB Liability	90.66%	71.83%	69.36%	60.26%	56.03%	63.36%	69.72%	99.41%	98.88%
Covered Employee Payroll	\$22,545,968	\$20,014,971	\$20,014,971	\$16,775,765	\$16,775,765	\$14,447,870	\$14,447,870	\$11,656,266	\$11,656,266
Net OPEB Liability as a percentage of covered-employee payroll	1.22%	4.98%	5.64%	11.81%	13.69%	12.23%	9.87%	0.17%	0.37%

Net OPEB Liability - ending (a) - (b)

Fiduciary net position as a percentage of the Total OPEB Liability

Covered Employee Payroll

Net OPEB Liability as a percentage of covered-employee payroll

See notes to required supplementary information.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY - HEALTHCARE SCHEDULES
For the Year Ended June 30, 2025

SCHEDULE OF DISTRICT CONTRIBUTIONS
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ 609,676	\$ 801,565	\$ 427,045	\$ 427,045	\$ 392,001	\$ 392,001	\$ 210,718	\$ 210,718	\$ 44,470
Contributions in Relation to the ADC	609,676	801,565	427,045	427,045	162,034	63,090	80,467	50,267	22,774
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ 229,967	\$ 328,911	\$ 130,251	\$ 160,451	\$ 21,696
Covered-Employee Payroll	\$ 22,545,968	\$ 20,014,971	\$ 20,014,971	\$ 16,775,765	\$ 16,775,765	\$ 14,447,870	\$ 14,447,870	\$ 11,656,266	\$ 11,646,266
Contributions as a Percentage of Covered-Employee Payroll	2.70%	4.00%	2.13%	2.55%	0.97%	0.44%	0.56%	0.43%	0.20%

See notes to required supplementary information.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
For the Year Ended 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 District's covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.10929799%	\$ 1,795,946	\$22,860,590	7.86%	98.79%
2023	0.10881098%	1,617,808	21,674,018	7.46%	98.85%
2022	0.10499703%	5,562,431	19,741,852	28.18%	95.72%
2021	0.10098875%	(8,139,879)	18,237,112	(44.63%)	106.02%
2020	0.09687601%	(6,048,107)	16,727,678	(36.16%)	105.26%
2019	0.09286166%	(2,994,283)	15,470,065	(19.36%)	102.96%
2018	0.08983958%	3,196,210	14,376,111	22.23%	96.45%
2017	0.08736266%	(2,593,901)	13,111,715	(19.78%)	102.93%
2016	0.08612797%	709,900	12,650,961	5.61%	99.12%
2015	0.08536503%	1,387,165	12,252,317	11.32%	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	\$ 1,634,646	\$ (1,634,646)	\$ -	\$ 23,589,873	6.93%
2024	1,530,289	(1,530,289)	-	22,310,711	6.86%
2023	1,402,966	(1,402,966)	-	21,006,078	6.68%
2022	1,231,005	(1,231,005)	-	19,087,493	6.45%
2021	1,129,118	(1,129,118)	-	17,393,731	6.49%
2020	1,013,289	(1,013,289)	-	16,135,989	6.28%
2019	963,199	(963,199)	-	14,988,651	6.43%
2018	891,596	(891,596)	-	13,839,845	6.44%
2017	834,963	(834,963)	-	12,676,526	6.59%
2016	833,158	(833,158)	-	12,461,486	6.69%

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

See notes to required supplementary information.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

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

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

Fund	Excess Expenditures
General Fund:	
Instruction	\$ 129,328
Nonprogram	67,529
Capital outlay	107,289
Special Education Fund:	
Support services	2,266
Nonprogram	8,333
Package/Cooperative Fund:	
Instruction	649,311
Nonprogram	15,908
Capital outlay	280,604

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

NOTE 2. 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 1 preceding year.

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	2 year Level \$
Discount Rate	5.58%
Inflation	2.50%

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

Changes of Assumptions. There were no changes of assumptions during the year.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

NOTE 3. WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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.

MEDFORD AREA PUBLIC SCHOOL DISTRICT
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:

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

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

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
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:

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	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

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
COMBINING BALANCE SHEET
GENERAL FUND
June 30, 2025**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
Assets				
Cash and investments	\$ 9,232,301	\$ 253,100	\$ -	\$ 9,485,401
Receivables:				
Taxes	2,474,919	-	-	2,474,919
Accounts	2,266	30	-	2,296
Due from other governments	240,660	114,482	-	355,142
Total assets	<u>\$ 11,950,146</u>	<u>\$ 367,612</u>	<u>\$ -</u>	<u>\$ 12,317,758</u>
Liabilities				
Accounts payable	\$ 1,627,087	\$ 323,096	\$ -	\$ 1,950,183
Due to other funds	1,802,818	44,516	-	1,847,334
Total liabilities	<u>3,429,905</u>	<u>367,612</u>	<u>-</u>	<u>3,797,517</u>
Fund balances				
Unassigned	8,520,241	-	-	8,520,241
Total fund balances	<u>8,520,241</u>	<u>-</u>	<u>-</u>	<u>8,520,241</u>
Total liabilities and fund balances	<u>\$ 11,950,146</u>	<u>\$ 367,612</u>	<u>\$ -</u>	<u>\$ 12,317,758</u>

MEDFORD AREA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
For the Year Ended June 30, 2025

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
Revenues:				
Local sources	\$ 7,795,563	\$ -	\$ -	\$ 7,795,563
Interdistrict sources	11,912,842	65,756	-	11,978,598
Intermediate sources	4,524	4,226	-	8,750
State sources	18,560,881	2,422,051	-	20,982,932
Federal sources	912,560	891,969	-	1,804,529
Other sources	278,458	-	-	278,458
Total revenues	<u>39,464,828</u>	<u>3,384,002</u>	<u>-</u>	<u>42,848,830</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	11,104,906	-	-	11,104,906
Vocational instruction	1,193,245	-	-	1,193,245
Physical instruction	744,068	-	-	744,068
Special education instruction	-	6,579,070	-	6,579,070
Other instruction	727,059	-	-	727,059
Total instruction	<u>13,769,278</u>	<u>6,579,070</u>	<u>-</u>	<u>20,348,348</u>
Support services:				
Pupil services	613,322	1,355,125	-	1,968,447
Instructional staff services	1,621,261	376,367	-	1,997,628
General administration services	521,841	1,366	-	523,207
Building administration services	1,530,251	-	-	1,530,251
Business services	286,860	13,380	-	300,240
Operation and maintenance	3,039,850	18,294	-	3,058,144
Pupil transportation	1,142,139	161,924	-	1,304,063
Central services	137,371	8,532	-	145,903
Insurance	223,445	131	-	223,576
Other support services	711,765	-	-	711,765
Total support services	<u>9,828,105</u>	<u>1,935,119</u>	<u>-</u>	<u>11,763,224</u>
Nonprogram:				
Purchased instructional services	4,539	42,359	-	46,898
Other nonprogram	1,016,365	-	-	1,016,365
Total nonprogram	<u>1,020,904</u>	<u>42,359</u>	<u>-</u>	<u>1,063,263</u>
Debt service				
Interest	41,081	-	-	41,081
Total debt service	<u>41,081</u>	<u>-</u>	<u>-</u>	<u>41,081</u>
Capital outlay	<u>138,376</u>	<u>141,051</u>	<u>-</u>	<u>279,427</u>
Total expenditures	<u>24,797,744</u>	<u>8,697,599</u>	<u>-</u>	<u>33,495,343</u>
Excess (deficiency) of revenues over expenditures	<u>14,667,084</u>	<u>(5,313,597)</u>	<u>-</u>	<u>9,353,487</u>
Other financing sources (uses):				
Sale of fixed assets	10,006	-	-	10,006
Transfer from other funds	-	5,313,597	(5,313,597)	-
Transfer to other funds	(14,057,853)	-	5,313,597	(8,744,256)
Total other financing sources (uses)	<u>(14,047,847)</u>	<u>5,313,597</u>	<u>-</u>	<u>(8,734,250)</u>
Net change in fund balances	<u>619,237</u>	<u>-</u>	<u>-</u>	<u>619,237</u>
Fund balances - beginning of year	<u>7,901,004</u>	<u>-</u>	<u>-</u>	<u>7,901,004</u>
Fund balances - end of year	<u>\$ 8,520,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,520,241</u>

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025**

	Special Revenue Trust Fund	Community Service Fund	Debt Service Fund	Food Service Fund	Total Nonmajor Gov't. Funds
Assets					
Cash and cash equivalents	\$ 773,357	\$ 126,092	\$ 763,952	\$ 1,055,251	\$ 2,718,652
Accounts receivable	60	-	-	91	151
Due from other governments	-	144,890	-	27,331	172,221
Total assets	\$ 773,417	\$ 270,982	\$ 763,952	\$ 1,082,673	\$ 2,891,024
Liabilities					
Accounts payable and accrued liabilities	\$ 9,963	\$ 32,893	\$ -	\$ 13,082	\$ 55,938
Deposits payable	-	-	-	37,248	37,248
Total liabilities	9,963	32,893	-	50,330	93,186
Fund balances					
Restricted for:					
District operations per donor specifications	763,454	-	-	-	763,454
Future community service expenditures	-	238,089	-	-	238,089
Debt service	-	-	763,952	-	763,952
Food service	-	-	-	1,032,343	1,032,343
Total fund balances	763,454	238,089	763,952	1,032,343	2,797,838
Total liabilities and fund balances	\$ 773,417	\$ 270,982	\$ 763,952	\$ 1,082,673	\$ 2,891,024

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

	Special Revenue Trust Fund	Community Service Fund	Debt Service Fund	Food Service Fund	Total Nonmajor Gov't. Funds
Revenues:					
Local sources	\$ 1,108,252	\$ 395,719	\$ 736,907	\$ -	\$ 2,240,878
Other local sources	-	-	-	463,523	463,523
State sources	-	-	-	24,149	24,149
Federal sources	-	843,835	-	796,344	1,640,179
Other sources	-	-	183	-	183
Total revenues	<u>1,108,252</u>	<u>1,239,554</u>	<u>737,090</u>	<u>1,284,016</u>	<u>4,368,912</u>
Expenditures:					
Current:					
Instruction:					
Regular instruction	219,684	-	-	-	219,684
Vocational instruction	2,685	-	-	-	2,685
Total instruction	<u>222,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,369</u>
Support services:					
General administration	-	74,994	-	-	74,994
Building administration	383,365	1,427	-	-	384,792
Business services	-	-	-	898	898
Operation and maintenance	289,770	414	-	106,306	396,490
Pupil transportation	19,102	34,177	-	-	53,279
Central services	-	627	-	-	627
Community service	-	1,079,780	-	-	1,079,780
Food service	-	-	-	1,263,144	1,263,144
Other support services	60,192	7,750	-	8,252	76,194
Total support services	<u>752,429</u>	<u>1,199,169</u>	<u>-</u>	<u>1,378,600</u>	<u>3,330,198</u>
Debt service:					
Principal	-	-	79,400	-	79,400
Interest and other fiscal charges	-	-	100,571	-	100,571
Total debt service	<u>-</u>	<u>-</u>	<u>179,971</u>	<u>-</u>	<u>179,971</u>
Capital outlay	<u>8,815</u>	<u>11,767</u>	<u>-</u>	<u>-</u>	<u>20,582</u>
Total expenditures	<u>983,613</u>	<u>1,210,936</u>	<u>179,971</u>	<u>1,378,600</u>	<u>3,753,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>124,639</u>	<u>28,618</u>	<u>557,119</u>	<u>(94,584)</u>	<u>615,792</u>
Other financing sources (uses):					
Premium on long-term debt	-	-	201,537	-	201,537
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>201,537</u>	<u>-</u>	<u>201,537</u>
Net change in fund balances	<u>124,639</u>	<u>28,618</u>	<u>758,656</u>	<u>(94,584)</u>	<u>817,329</u>
Fund balances - beginning of year	638,815	209,471	5,296	-	853,582
Change within financial reporting entity (proprietary fund to governmental fund)	-	-	-	1,126,927	1,126,927
Fund balances - beginning of year, restated	<u>638,815</u>	<u>209,471</u>	<u>5,296</u>	<u>1,126,927</u>	<u>1,980,509</u>
Fund balances - end of year	<u>\$ 763,454</u>	<u>\$ 238,089</u>	<u>\$ 763,952</u>	<u>\$ 1,032,343</u>	<u>\$ 2,797,838</u>

MEDFORD AREA PUBLIC SCHOOL DISTRICT
SCHEDULES OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS AND SERVICE COSTS
For the Year Ended June 30, 2025

<u>Operating Activity</u>	<u>WUFAR Object Code</u>	<u>Cost</u>
Employee salaries	100	\$ 132,840
Employee benefits	200	53,306
Purchased services	300	421,566
Non-capital objects	400	188,048
Handicapped Pupils and School Age Parents	900	2,586
Total		<u>\$ 798,346</u>

<u>Services Provided</u>	<u>Function Code</u>	<u>Cost</u>
General Administration	235000	\$ 798,346
Total		<u>\$ 798,346</u>