

**School District of River Falls
Finance and Facilities Committee Meeting**

Monday, April 8, 2024 - 6:00 PM

District Office

852 E Division Street

River Falls, Wisconsin 54022

Educational Program Committee members: Alan Tuchtenhagen (Chair), Lindsey Curtis, & Cindy Holbrook

Agendas can be viewed at <https://www.rfsd.k12.wi.us/district/school-board.cfm> or at

<https://meetings.boardbook.org/Public/Organization/1447>

1. CALL TO ORDER - 6:00 PM

2. MANNER OF PUBLIC NOTIFICATION OF MEETING

3. HEARING OF VISITORS OR DELEGATIONS

4. 2023-24 Budget Update

2

Description: The Director of Finance will provide a 2023-24 Budget Update.

Recommended Action: None, informational only.

5. 2022-23 Audit Report

8

Description: The Director of Finance will report on the 2022-23 Financial Audit.

Recommended Action: None, informational only.

6. Design & Planning Team Update

Description: The Director of Finance will provide an update from the Design & Planning Team regarding the referendum-funded projects.

Recommended Action: None, informational only.

7. Consideration of adjourning to closed session pursuant to Wis. Stat. sec. 19.85(1)(e), which permits convening in closed session for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, for a debt issue discussion. Roll call vote required.

8. CONVENE TO CLOSED SESSION

9. RECONVENE INTO OPEN SESSION AND AFFIRM ACTION TAKEN IN CLOSED SESSION IF NECESSARY

10. PROPOSED/SUGGESTED ITEMS FOR THE NEXT REGULAR AND FUTURE FINANCE & FACILITIES MEETING AGENDA(S)

Description: As always, committee members will be given the opportunity to suggest items for future committee and/or Board meeting agendas.

Recommended Action: As needed.

11. SCHEDULE NEXT FINANCE & FACILITIES COMMITTEE MEETING

Description: Upcoming committee meeting dates, times, and locations will be reviewed.

Recommended Action: Set the meeting schedule as follows:

Finance and Facilities Committee meeting, Monday, May 13, 2024, 6:00 p.m.

The meeting will be held at the District Office, 852 E. Division Street.

12. ADJOURN

<u>Fd</u>	<u>Src</u>	<u>Src</u>	2022-23 <u>FY Activity</u>	2023-24 <u>Original Budget</u>	2023-24 <u>FYTD Activity</u>	2023-24 <u>FYTD %</u>	2022-23 <u>FYTD %</u>
10		GENERAL FUND					
10	211	PROPERTY TAX	13,118,056.00	15,672,122.00	10,264,550.93	65.50	65.80
10	212	CHARGE BACK- PROPERTY TAXES	542.00	0.00	0.00	0.00	67.67
10	213	MOBILE HOME TAX	14,592.92	13,000.00	13,983.99	107.57	112.25
10	249	BUS TRANSPORTATION REVENUE	16,599.41	18,000.00	9,365.01	52.03	57.67
10	264	Non-Cap Asset Sales	1,944.05	1,000.00	2,164.21	216.42	188.41
10	271	ADMISSIONS	44,606.75	45,000.00	53,478.75	118.84	92.90
10	284	INTEREST EARNINGS	273,079.72	234,200.00	332,673.12	142.05	88.52
10	291	GIFTS	46,386.09	40,000.00	28,482.50	71.21	99.11
10	292	STUDENT FEES	241,993.23	235,000.00	176,925.72	75.29	81.12
10	293	RENTALS	9,298.20	7,000.00	4,703.13	67.19	83.71
10	297	STUDENT FINES	544.50	0.00	91.00	0.00	0.00
10	343	CO-CURRICULAR COST SHARING	9,757.53	14,000.00	0.00	0.00	0.00
10	345	OPEN ENROLLMENT	1,608,862.00	1,652,299.00	0.00	0.00	0.00
10	348	TRANSPORTATION FEES - OTHR WI	4,828.00	5,000.00	2,006.48	40.13	16.41
10	515	STATE AID THRU CESA	34,595.00	0.00	0.00	0.00	0.00
10	517	FEDERAL AID THRU CESA	4,322.00	3,500.00	0.00	0.00	0.00
10	612	TRANSPORTATION AID	94,757.63	85,000.00	66,730.00	78.51	91.09
10	613	LIBRARY AID	205,868.00	225,000.00	0.00	0.00	0.00
10	619	OTHER STATE CATEGORICAL AID	93,863.98	2,000.00	0.00	0.00	115.63
10	621	STATE EQUALIZATION AID	20,796,400.00	21,606,334.00	8,642,534.00	40.00	40.00
10	630	STATE GRANT	106,687.64	76,000.00	0.00	0.00	73.29
10	660	DNR - PILT PROGRAM PAYMENTS	37,267.57	41,000.00	28,720.47	70.05	65.12
10	691	TAX EXEMPT COMPUTER AID	48,251.82	48,252.00	0.00	0.00	22.06
10	695	PER PUPIL AID	2,506,476.00	2,512,412.00	0.00	0.00	0.00
10	699	State Grant-Misc	309,900.00	239,797.00	0.00	0.00	27.26
10	713	VOCATIONAL ED. ACT	20,434.00	20,352.00	0.00	0.00	0.00
10	730	FEDERAL GRANT	2,129,851.20	80,088.00	6,020.87	7.52	0.00
10	751	TITLE 1 GRANT	125,375.00	252,624.00	0.00	0.00	0.00
10	780	SBS MEDICAID	476,951.27	390,000.00	0.00	0.00	78.17
10	799	OTHER FED REVENUE	0.00	42,000.00	0.00	0.00	198.72
10	860	INSURANCE SETTLEMENT	0.00	0.00	9,802.90	0.00	0.00
10	861	CAPITAL ASSET SALE	15,812.25	5,000.00	1,537.00	30.74	316.25
10	878	CAPITAL LEASES	0.00	72,000.00	0.00	0.00	0.00
10	964	INSURANCE	15,546.80	0.00	4,029.00	0.00	0.00
10	971	INS DIV / E-RATE	93,929.56	95,000.00	115,843.48	121.94	0.00
10	972	NON-AIDABLE	9,103.06	0.00	0.00	0.00	0.00
10	990	MISC. REFUND	24,345.00	5,000.00	58,358.00	1,167.16	90.82
10	---	GENERAL FUND	42,540,828.18	43,737,980.00	19,822,000.56	45.32	43.21
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21		SPECIAL REVENUE FUND					
21	001	PRIOR YR CARRYOVER FUNDS	0.00	0.00	360,423.04	0.00	0.00
21	262	NON-CAP FOR RESALE	137,930.64	0.00	104,302.22	0.00	0.00
21	279	OTHER SCHOOL ACTIVITY INCOME	169,958.07	0.00	118,953.92	0.00	0.00
21	291	GIFTS	316,818.21	0.00	681,629.29	0.00	0.00
21	---	SPECIAL REVENUE FUND	624,706.92	0.00	1,265,308.47	0.00	0.00
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Fd Src	Src	2022-23 FY Activity	2023-24 Original Budget	2023-24 FYTD Activity	2023-24 FYTD %	2022-23 FYTD %
27	SPECIAL EDUCATION FUND					
27 110	OPERATING TRANSFER/GENERAL	3,560,274.54	3,700,694.00	0.00	0.00	0.00
27 346	TUITION - 66:30	94,999.87	97,000.00	37,176.88	38.33	21.67
27 611	HANDICAPPED AID	1,644,521.21	1,833,601.00	983,038.00	53.61	66.30
27 697	Transition Grant	20,063.61	20,000.00	0.00	0.00	0.00
27 730	FEDERAL GRANT	726,581.18	933,276.00	0.00	0.00	98.30
27 780	SBS MEDICAID	106,582.02	100,000.00	28,962.54	28.96	31.46
27 ---	SPECIAL EDUCATION FUND	6,153,022.43	6,684,571.00	1,049,177.42	15.70	27.44
		=====	=====	=====	=====	=====
39	REFERENDUM APPROVED DEBT SRVC					
39 211	PROPERTY TAX	7,014,405.00	6,966,725.00	4,562,898.60	65.50	67.67
39 284	INTEREST EARNINGS	33,166.53	5,000.00	20,404.56	408.09	0.00
39 ---	REFERENDUM APPROVED DEBT SRVC	7,047,571.53	6,971,725.00	4,583,303.16	65.74	67.58
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46	LONG TERM CAPTL IMPVMNT TRUST					
46 284	INTEREST EARNINGS	11,258.97	1,000.00	9,499.39	949.94	0.00
46 ---	LONG TERM CAPTL IMPVMNT TRUST	11,258.97	1,000.00	9,499.39	949.94	0.00
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50	FOOD SERVICE FUND					
50 251	PUPILS	729,745.43	696,055.00	472,062.00	67.82	52.46
50 252	ADULTS	18,014.00	15,486.00	13,862.10	89.51	59.54
50 259	OTHER FOOD SERV. SALES	497,493.90	510,394.00	316,566.64	62.02	86.65
50 284	INTEREST EARNINGS	6.76	0.00	4.41	0.00	0.00
50 617	FOOD SERVICE AID-STATE	30,988.13	0.00	0.00	0.00	0.00
50 715	CASH IN LIEU OF COMMODITIES	162,176.00	120,000.00	79,446.00	66.21	125.22
50 717	FOOD SERVICE AID-FEDERAL	662,127.62	565,305.00	361,049.65	63.87	54.66
50 ---	FOOD SERVICE FUND	2,100,551.84	1,907,240.00	1,242,990.80	65.17	63.35
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60	CUSTODIAL FUND					
60 001	PRIOR YR CARRYOVER FUNDS	0.00	0.00	44,328.02	0.00	0.00
60 262	NON-CAP FOR RESALE	54,915.15	0.00	48,664.17	0.00	0.00
60 279	OTHER SCHOOL ACTIVITY INCOME	25,545.95	0.00	15,595.94	0.00	0.00
60 291	GIFTS	10,061.94	0.00	55,771.40	0.00	0.00
60 ---	CUSTODIAL FUND	90,523.04	0.00	164,359.53	0.00	0.00
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73	PENSION AND OPEB TRUST FUND					
73 284	INTEREST EARNINGS	63,996.21	65,000.00	35,667.09	54.87	0.00
73 951	OPEB ADC CONTRIBUTION	306,164.00	280,000.00	0.00	0.00	0.00
73 ---	PENSION AND OPEB TRUST FUND	370,160.21	345,000.00	35,667.09	10.34	0.00
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<u>Fd</u>	<u>Src</u>	<u>Src</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2023-24</u>	<u>2023-24</u>	<u>2022-23</u>
			<u>FY Activity</u>	<u>Original Budget</u>	<u>FYTD Activity</u>	<u>FYTD %</u>	<u>FYTD %</u>
80		COMMUNITY SERVICE FUND					
80	211	PROPERTY TAX	220,000.00	220,000.00	144,090.33	65.50	67.67
80	272	DUES	831,127.56	825,000.00	705,251.37	85.49	77.77
80	284	INTEREST EARNINGS	5.98	0.00	4.17	0.00	56.13
80	291	GIFTS	1,420.00	500.00	2,145.00	429.00	186.00
80	---	COMMUNITY SERVICE FUND	1,052,553.54	1,045,500.00	851,490.87	81.44	75.67
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Number of Accounts: 450

***** End of report *****

Fd	Obj	Obj	2022-23	2023-24	2023-24	2023-24	2023-24	2022-23
			FY Activity	Original Budget	Revised Budget	FYTD Activity	FYTD %	FYTD %
10		GENERAL FUND						
10	1--	EMPLOYEE SALARIES	20,041,603.45	21,141,783.00	21,141,783.00	11,370,235.62	53.78	53.21
10	2--	EMPLOYEE BENEFITS	7,540,715.20	7,953,139.00	7,953,139.00	4,742,291.97	59.63	59.61
10	3--	PURCHASED SERVICES	7,149,143.69	7,462,212.00	7,462,212.00	2,718,976.15	36.44	52.75
10	4--	NON-CAPITAL OBJECTS	1,339,526.29	1,655,320.00	1,734,710.00	885,809.12	51.06	54.94
10	5--	CAPITAL OBJECTS	584,149.01	815,900.00	815,900.00	145,451.63	17.83	41.95
10	6--	DEBT RETIREMENT	168,360.29	428,500.00	428,500.00	108,998.49	25.44	0.00
10	7--	INSURANCE & JUDGMENTS	323,459.72	342,000.00	342,000.00	336,269.95	98.32	98.01
10	8--	OPERATING TRANSFERS-OUT	3,560,274.54	3,700,694.00	3,700,694.00	0.00	0.00	0.00
10	9--	OTHER OBJECTS	137,174.51	238,432.00	210,432.00	84,837.27	40.32	23.15
10	---	GENERAL FUND	40,844,406.70	43,737,980.00	43,789,370.00	20,392,870.20	46.57	49.22
			=====	=====	=====	=====	=====	=====
21		SPECIAL REVENUE FUND						
21	1--	EMPLOYEE SALARIES	4,781.44	0.00	0.00	172.09	0.00	0.00
21	2--	EMPLOYEE BENEFITS	259.31	0.00	0.00	470.00	0.00	0.00
21	3--	PURCHASED SERVICES	108,290.66	0.00	0.00	49,252.23	0.00	0.00
21	4--	NON-CAPITAL OBJECTS	315,802.18	0.00	0.00	652,774.80	0.00	0.00
21	5--	CAPITAL OBJECTS	88,337.19	0.00	0.00	15,049.00	0.00	0.00
21	9--	OTHER OBJECTS	85,951.21	0.00	0.00	48,576.41	0.00	0.00
21	---	SPECIAL REVENUE FUND	603,421.99	0.00	0.00	766,294.53	0.00	0.00
			=====	=====	=====	=====	=====	=====
27		SPECIAL EDUCATION FUND						
27	1--	EMPLOYEE SALARIES	4,361,358.23	4,782,122.00	4,710,353.04	2,502,330.43	53.12	50.61
27	2--	EMPLOYEE BENEFITS	1,606,658.59	1,731,976.00	1,803,744.96	985,144.21	54.62	53.70
27	3--	PURCHASED SERVICES	133,397.85	68,973.00	157,923.00	66,937.04	42.39	84.04
27	4--	NON-CAPITAL OBJECTS	37,177.43	0.00	51,800.00	29,608.12	57.16	40.98
27	5--	CAPITAL OBJECTS	0.00	95,000.00	95,000.00	5,412.00	5.70	0.00
27	9--	OTHER OBJECTS	14,430.33	6,500.00	15,750.00	4,838.00	30.72	29.54
27	---	SPECIAL EDUCATION FUND	6,153,022.43	6,684,571.00	6,834,571.00	3,594,269.80	52.59	51.84
			=====	=====	=====	=====	=====	=====
39		REFERENDUM APPROVED DEBT SRVC						
39	6--	DEBT RETIREMENT	7,113,514.08	7,031,101.00	7,031,101.00	845,477.50	12.02	28.03
39	---	REFERENDUM APPROVED DEBT	7,113,514.08	7,031,101.00	7,031,101.00	845,477.50	12.02	28.03
			=====	=====	=====	=====	=====	=====
46		LONG TERM CAPTL IMPVMNT TRUST						
46	3--	PURCHASED SERVICES	0.00	625,000.00	625,000.00	670,370.41	107.26	0.00
46	---	LONG TERM CAPTL IMPVMNT T	0.00	625,000.00	625,000.00	670,370.41	107.26	0.00
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Fd	Obj	Obj	2022-23 FY Activity	2023-24 Original Budget	2023-24 Revised Budget	2023-24 FYTD Activity	2023-24 FYTD %	2022-23 FYTD %
50		FOOD SERVICE FUND						
50	1--	EMPLOYEE SALARIES	11,322.50	13,000.00	13,000.00	6,398.07	49.22	65.85
50	2--	EMPLOYEE BENEFITS	1,573.73	2,035.00	2,035.00	893.46	43.90	80.34
50	3--	PURCHASED SERVICES	969,638.18	1,039,170.00	1,039,170.00	607,555.90	58.47	56.41
50	4--	NON-CAPITAL OBJECTS	1,005,572.54	930,972.00	930,972.00	641,708.29	68.93	67.87
50	5--	CAPITAL OBJECTS	115,784.65	38,255.00	38,255.00	78,418.55	204.99	45.21
50	9--	OTHER OBJECTS	20,294.55	14,400.00	14,400.00	15,122.55	105.02	56.21
50	---	FOOD SERVICE FUND	2,124,186.15	2,037,832.00	2,037,832.00	1,350,096.82	66.25	60.37
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60		CUSTODIAL FUND						
60	9--	OTHER OBJECTS	86,197.68	0.00	0.00	102,723.06	0.00	0.00
60	---	CUSTODIAL FUND	86,197.68	0.00	0.00	102,723.06	0.00	0.00
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73		PENSION AND OPEB TRUST FUND						
73	9--	OTHER OBJECTS	603,862.50	638,125.00	638,125.00	0.00	0.00	0.00
73	---	PENSION AND OPEB TRUST FU	603,862.50	638,125.00	638,125.00	0.00	0.00	0.00
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80		COMMUNITY SERVICE FUND						
80	1--	EMPLOYEE SALARIES	624,662.28	641,797.00	641,797.00	449,665.34	70.06	60.02
80	2--	EMPLOYEE BENEFITS	158,255.45	165,628.00	165,628.00	117,686.97	71.05	65.52
80	3--	PURCHASED SERVICES	89,672.69	95,175.00	95,175.00	52,226.08	54.87	69.57
80	4--	NON-CAPITAL OBJECTS	40,889.54	51,000.00	51,000.00	38,958.59	76.39	42.02
80	9--	OTHER OBJECTS	74,934.17	91,900.00	91,900.00	72,591.89	78.99	65.01
80	---	COMMUNITY SERVICE FUND	988,414.13	1,045,500.00	1,045,500.00	731,128.87	69.93	61.19
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Grand Expense Totals			58,517,025.66	61,800,109.00	62,001,499.00	28,453,231.19	45.89	47.24

Number of Accounts: 2452

***** End of report *****

<u>Fd</u>	<u>Fd</u>	<u>Beginning Balance</u>	<u>February 2023-24 Beginning Balance</u>	<u>Month End Balance Current Year</u>	<u>Month End Balance Prior Year</u>
10	GENERAL FUND	14,242,445.16CR	9,906,928.65CR	13,671,575.52CR	5,923,580.31CR
21	SPECIAL REVENUE FUND	379,740.58CR	882,729.77CR	878,754.52CR	763,699.97CR
27	SPECIAL EDUCATION FUND	0.00	2,208,966.68	2,545,092.38	1,553,272.71
39	REFERENDUM APPROVED DEBT SRVC	1,239,205.04CR	2,129,033.68CR	4,977,030.70CR	4,058,373.27CR
46	LONG TERM CAPTL IMPVMNT TRUST	667,262.97CR	6,387.89CR	6,391.95CR	656,004.00CR
50	FOOD SERVICE FUND	689,730.52CR	609,517.22CR	582,624.50CR	800,807.81CR
60	CUSTODIAL FUND	43,723.89CR	108,754.66CR	105,360.36CR	90,045.72CR
73	PENSION AND OPEB TRUST FUND	4,543,361.16CR	4,579,028.25CR	4,579,028.25CR	4,777,063.45CR
80	COMMUNITY SERVICE FUND	200,130.37CR	239,536.02CR	320,492.37CR	149,103.58CR
Grand Equity Totals		22,005,599.69CR	16,252,949.46CR	22,576,165.79CR	15,665,405.40CR

Number of Accounts: 128

***** End of report *****



Date: April 8, 2024
To: Finance & Facilities Committee Members
From: Lynette Coy, Director of Finance & Facilities
Re: 2022-23 Audited Financial Statements

Annually, the District hires an independent firm to audit its financial statements to ensure compliance with generally accepted accounting principles (GAAP) and the Wisconsin Uniform Financial Accounting Requirements (WUFAR).

Clifton Larson Allen (CLA) reviewed and prepared the report on the district's 2022-23 financial statements. The results of their tests disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Their report was submitted to, and accepted by, the Wisconsin Department of Public Instruction.

Below are some of the financial highlights:

- The District's overall financial position, as reflected in total net position, is \$50,899,327 - an increase of \$709,654. Net position is the difference between assets and liabilities.
- The District claimed all remaining Federal COVID (ESSER) funds - \$2,070,000 in 2022-23.
- The Unassigned Fund Balance percentage at year end was 29%, within board policy range of 25-30%.
- The General Fund Fund Balance increased by \$1,696,421 - revenues were approx. \$490,000 above budget (aid & interest earnings) and expenditures were under budget by approx. \$1,275,000 (maint/utilities/capital projects).
- The District retired \$5,180,000 of outstanding General Obligation Bonds.
- Governmental Activities Capital Assets net decreased by \$2,018,285.
- Other Post Employment Benefits (OPEB) net liability is (-\$231,741) or (-.99%).
- Finding 2023-001 was noted for journal entries proposed by the auditor and posted by the District to correct entries.

*Note: General Fund includes Funds 10 and Fund 27 (Special Education)

Circumstances facing the District's financial future:

- Prior to the February referendum election, the District's projected budget deficit was over \$3 Million by 2026-27 and made a concerted effort to conserve funds ahead of an Operating Referendum.

- The District's enrollment decreased by approximately 45 students in 2023-24 and is expected to remain stable for several years.
- Open Enrollment into the District is no longer expected to be net revenue.
- The District continues to explore moving to a self-funded health insurance plan which requires an initial cash reserve.
- The District will continue to monitor and analyze its cash flow particularly in early December & June when general fund cash reserves are low.
- Capital Improvement Fund 46 has a planned spenddown in 2023-24. The District will continue to use Fund 46 when appropriate and in accordance with the 10-year Capital Plan. Once funds are transferred to Fund 46 they cannot be used for any other purpose including general operating expenses.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
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RIVER FALLS, WISCONSIN
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
School District of River Falls
River Falls, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of River Falls, Wisconsin (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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 District, as of June 30, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and the schedules relating to pensions and other postemployment benefits as listed in the table of contents 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 GAAS, 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 the management's discussion and analysis that accounting principles generally accepted in the United States 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 considers 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 District's basic financial statements. The individual and combining fund financial statements and schedules and the charter school authorizer annual report, section VI, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual and combining fund financial statements and schedules, charter school authorizer annual report, section VI, and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the charter school authorizer annual report, sections I through V and section VII, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Hudson, Wisconsin
January 8, 2024

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 11,831,908
Taxes Receivable	6,075,782
Accounts Receivable	32,028
Due from Other Governments	3,076,410
Due from Fiduciary Funds	603,863
Prepaid Expenses	85,910
Other Postemployment Benefits Assets	231,741
Capital Assets Not Being Depreciated/Amortized:	
Land	1,090,195
Construction Work in Progress	1,022,918
Capital Assets Being Depreciated/Amortized:	
Land Improvements	725,367
Buildings and Building Improvements	119,161,295
Furniture and Equipment	11,093,535
Right-to-Use Leased Assets	3,273,346
Accumulated Depreciation/Amortization	<u>(49,569,819)</u>
Total Assets	<u>108,734,479</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	24,596,563
State Life Insurance Other Postemployment Benefits Related	675,066
Other Postemployment Benefit Related	<u>367,079</u>
Total Deferred Outflows of Resources	<u>25,638,708</u>
LIABILITIES	
Accounts Payable	218,991
Accrued Interest	425,074
Accrued Salaries and Wages	2,662,850
Payroll Taxes and Withholdings	1,052,428
Other Liabilities	23,079
Due to Fiduciary Funds	306,164
Unearned Revenue	23,873
Long-Term Liabilities:	
Amounts Due Within One Year	3,747,613
Amounts Due In More than One Year	51,071,650
Wisconsin Retirement System Net Pension Plan Liability	6,812,315
State Life Insurance Net Other Postemployment Benefits Liability - Due in More Than One Year	<u>1,615,759</u>
Total Liabilities	<u>67,959,796</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	14,277,923
State Life Insurance Other Postemployment Benefits Related	1,129,093
Other Postemployment Benefit Related	<u>107,048</u>
Total Deferred Inflows of Resources	<u>15,514,064</u>
NET POSITION	
Net Investment in Capital Assets	33,245,292
Restricted for:	
Unspent Grant Funds	99,090
Debt Service	814,131
Capital Improvements	667,263
Student Scholarships and Student Activities	379,740
Food Service	689,731
Community Service	200,131
Pension Benefits	231,741
Unrestricted	<u>14,572,208</u>
Total Net Position	<u>\$ 50,899,327</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges For Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 20,141,768	\$ 1,636,445	\$ 2,506,206	\$ (15,999,117)
Vocational Instruction	941,312	74,699	119,890	(746,723)
Physical Curriculum	1,593	-	-	(1,593)
Special Instruction	5,345,489	80,832	1,911,349	(3,353,308)
Co-Curricular Activities	23,513	-	-	(23,513)
Other Instruction	2,158,480	364,578	32,104	(1,761,798)
Total Instruction	<u>28,612,155</u>	<u>2,156,554</u>	<u>4,569,549</u>	<u>(21,886,052)</u>
Support Services:				
Pupil Services	2,242,940	14,168	405,646	(1,823,126)
Instructional Staff Services	1,668,828	-	750,959	(917,869)
General Administration Services	1,106,141	-	-	(1,106,141)
Building Administration Services	2,798,309	-	-	(2,798,309)
Business Services	718,361	-	-	(718,361)
Operation and Maintenance of Plant	8,023,565	9,298	10,386	(8,003,881)
Pupil Transportation Services	2,182,574	21,427	200,413	(1,960,734)
Food Service	2,180,330	1,245,253	855,292	(79,785)
Central Services	74,076	-	-	(74,076)
Insurance and Judgments	323,460	-	-	(323,460)
Interest and Fiscal Fees	1,455,101	-	-	(1,455,101)
Other Support Services	536,255	-	65,038	(471,217)
Community Services	966,567	831,128	1,420	(134,019)
Purchased Instructional Services	1,520,032	-	-	(1,520,032)
Post-Secondary Scholarship	4,500	-	-	(4,500)
Other Non-Program	13,581	-	-	(13,581)
Depreciation/Amortization - Unallocated *	900,281	-	-	(900,281)
Total Support Services	<u>26,714,901</u>	<u>2,121,274</u>	<u>2,289,154</u>	<u>(22,304,473)</u>
Total Primary Government	<u>\$ 55,327,056</u>	<u>\$ 4,277,828</u>	<u>\$ 6,858,703</u>	<u>(44,190,525)</u>
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				13,118,056
Property Taxes, Levied for Debt Purposes				7,014,405
Property Taxes, Levied for Community Service Purposes				220,000
Other Taxes				15,135
State and Federal Aids Not Restricted to Specific Functions				23,482,260
Interest and Investment Earnings				384,009
Miscellaneous				666,314
Total General Revenues				<u>44,900,179</u>
Change in Net Position				709,654
Net Position - Beginning of Year				<u>50,189,673</u>
Net Position - End of Year				<u>\$ 50,899,327</u>

* This amount excludes depreciation/amortization included in the direct expense of the various functions - see Note 3.B.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 8,491,791	\$ 1,239,205	\$ 2,100,912	\$ 11,831,908
Taxes Receivable	6,075,782	-	-	6,075,782
Accounts Receivable	29,322	-	2,706	32,028
Due from Other Governments	3,061,761	-	14,649	3,076,410
Due from Fiduciary Funds	603,863	-	-	603,863
Prepaid Expenses	85,910	-	-	85,910
	<u>18,348,429</u>	<u>1,239,205</u>	<u>2,118,267</u>	<u>21,705,901</u>
Total Assets	<u>\$ 18,348,429</u>	<u>\$ 1,239,205</u>	<u>\$ 2,118,267</u>	<u>\$ 21,705,901</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 134,722	\$ -	\$ 84,269	\$ 218,991
Accrued Salaries and Wages	2,589,590	-	73,260	2,662,850
Payroll Taxes and Withholdings	1,052,428	-	-	1,052,428
Other Liabilities	23,079	-	-	23,079
Due to Fiduciary Funds	306,164	-	-	306,164
Unearned Revenues	-	-	23,873	23,873
Total Liabilities	<u>4,105,983</u>	<u>-</u>	<u>181,402</u>	<u>4,287,385</u>
Fund Balances:				
Restricted	99,090	1,239,205	1,936,865	3,275,160
Unassigned	14,143,356	-	-	14,143,356
Total Fund Balances	<u>14,242,446</u>	<u>1,239,205</u>	<u>1,936,865</u>	<u>17,418,516</u>
Total Liabilities and Fund Balances	<u>\$ 18,348,429</u>	<u>\$ 1,239,205</u>	<u>\$ 2,118,267</u>	<u>\$ 21,705,901</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023**

Total Fund Balances - Governmental Funds \$ 17,418,516

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

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

Capital Assets	\$ 136,366,656	
Accumulated Depreciation/Amortization	(49,569,819)	86,796,837

Wisconsin Retirement System Pension Plan:

The District's Net Pension Asset (Liability) and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Net Pension Asset (Liability)	(6,812,315)	
Deferred Outflows of Resources - Pension Related	24,596,563	
Deferred Inflows of Resources - Pension Related	(14,277,923)	3,506,325

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General Obligation Debt	(48,990,000)	
Lease Liability	(2,798,668)	
Notes Payable	(64,419)	
Accrued Interest Payable on Long-Term Debt	(425,074)	
Vested Employee Benefits Payable	(1,267,718)	(53,545,879)

Net OPEB assets, liabilities, deferred inflows of resources and deferred outflows of resources related to OPEB are not financial resources, and therefore, not reported in the governmental funds:

State Life Insurance Net Other Postemployment Benefits Liability	(1,615,759)	
Other Postemployment Benefits Asset	231,741	
Deferred Outflows of Resources - State Life Insurance Other Postemployment Benefits	675,066	
Deferred Outflows of Resources - Other Postemployment Benefits	367,079	
Deferred Inflows of Resources - State Life Insurance Other Postemployment Benefits	(1,129,093)	
Deferred Inflows of Resources - Other Postemployment Benefits	(107,048)	(1,578,014)

Debt premiums and discounts are deferred in the statement of net position and amortized over the life of the related debt. In the governmental funds these costs are considered other financing sources/uses when incurred:

Unamortized Bond Premiums	(1,705,676)	
Unamortized Bond Discounts	7,218	(1,698,458)

Net Position of Governmental Activities \$ 50,899,327

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 13,118,598	\$ 7,014,405	\$ 220,000	\$ 20,353,003
Other Local Sources	649,045	99,657	2,713,780	3,462,482
Interdistrict Sources	1,718,448	-	-	1,718,448
Intermediate Sources	38,917	-	-	38,917
State Sources	25,864,058	-	30,988	25,895,046
Federal Sources	3,585,774	-	824,304	4,410,078
Other Sources	142,924	-	-	142,924
Total Revenues	<u>45,117,764</u>	<u>7,114,062</u>	<u>3,789,072</u>	<u>56,020,898</u>
EXPENDITURES				
Instruction:				
Regular Instruction	17,743,076	-	106,902	17,849,978
Vocational Instruction	876,581	-	14,557	891,138
Special Instruction	5,036,642	-	-	5,036,642
Other Instruction	1,639,546	-	417,938	2,057,484
Support Services:				
Pupil Services	2,121,393	-	-	2,121,393
Instructional Staff Services	1,456,980	-	-	1,456,980
General Administration	1,035,415	-	-	1,035,415
School Building Administration	2,616,137	-	-	2,616,137
Business Services	649,003	-	-	649,003
Operation and Maintenance of Plant	8,594,188	-	10,827	8,605,015
Pupil Transportation Services	1,909,967	-	27,380	1,937,347
Food Service	-	-	2,124,186	2,124,186
Central Services	73,184	-	-	73,184
Insurance and Judgments	323,460	-	-	323,460
Debt Service	168,360	7,180,005	34,326	7,382,691
Other Support Services	349,035	-	37,226	386,261
Community Services	-	-	933,793	933,793
Non Program:				
Purchased Instructional Services	1,520,032	-	-	1,520,032
Post-Secondary Scholarship	-	-	4,500	4,500
Other Program	9,193	-	4,388	13,581
Total Expenditures	<u>46,122,192</u>	<u>7,180,005</u>	<u>3,716,023</u>	<u>57,018,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,004,428)	(65,943)	73,049	(997,322)
OTHER FINANCING SOURCES (USES)				
Leases	2,685,037	-	-	2,685,037
Proceeds from Sale of Capital Assets	15,812	-	-	15,812
Net Other Financing Sources	<u>2,700,849</u>	<u>-</u>	<u>-</u>	<u>2,700,849</u>
NET CHANGE IN FUND BALANCES	1,696,421	(65,943)	73,049	1,703,527
Fund Balances - Beginning of Year	12,546,025	1,305,148	1,863,816	15,714,989
FUND BALANCES - END OF YEAR	<u>\$ 14,242,446</u>	<u>\$ 1,239,205</u>	<u>\$ 1,936,865</u>	<u>\$ 17,418,516</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES OF GOVERNMENT FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 1,703,527

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 4,576,395	
Depreciation/Amortization Expense Reported in the Statement of Activities	<u>(6,567,995)</u>	(1,991,600)

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

The gain (loss) on disposal of capital assets during the year is: (26,685)

Pension and other postemployment benefit expenditures (OPEB) on the governmental funds are measured by current year employee contributions. Pension and OPEB expense on the statement of activities are measured by the change in Net Pension Liability (Asset), net OPEB Liability (Asset), and the related deferred inflows and outflows of resources.

Pension Liability (Asset) and Related Items	(1,877,808)	
OPEB Liability (Asset) and Related Items	<u>(272,216)</u>	(2,150,024)

Long-term 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 long-term debt incurred in the current year is:

(2,685,037)

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.

Bond Principal Paid	5,180,000	
Lease Liability Principal Paid	228,199	
Notes Payable Principal Paid	<u>30,210</u>	5,438,409

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues:

Interest Paid During the Current Period	1,990,971	
Interest Accrued During the Current Period	<u>(1,940,401)</u>	50,570

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Amortization of Debt Premium	440,399	
Amortization of Debt Discount	(1,788)	
Net Change in Compensated Absences	<u>(68,117)</u>	<u>370,494</u>

Change in Net Position of Governmental Activities \$ 709,654

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Employee Benefit Trust Funds	Student Activity Custodial Fund
ASSETS		
Cash and Investments	\$ 4,841,060	\$ 44,352
Due from Governmental Funds	306,164	-
Total Assets	\$ 5,147,224	\$ 44,352
LIABILITIES		
Accounts Payable	\$ -	\$ 628
Due to Governmental Funds	603,863	-
Total Liabilities	\$ 603,863	\$ 628
NET POSITION		
Restricted for:		
Postemployment Benefits	\$ 4,543,361	\$ -
Individuals, Organizations, and Other Governments	-	43,724
Total Net Position	\$ 4,543,361	\$ 43,724

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Employee Benefit Trust Funds</u>	<u>Student Activity Custodial Funds</u>
ADDITIONS		
Local Sources:		
Interest	\$ 63,997	\$ -
Gifts	-	90,523
Contributions from District	306,164	-
Total Additions	<u>370,161</u>	<u>90,523</u>
 DEDUCTIONS		
Benefit Payments	603,863	-
Custodial Expenses	-	86,198
Total Deductions	<u>603,863</u>	<u>86,198</u>
 CHANGE IN NET POSITION	 (233,702)	 4,325
 Net Position - Beginning of Year	 <u>4,777,063</u>	 <u>39,399</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 4,543,361</u></u>	 <u><u>\$ 43,724</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The School District of River Falls is organized as a common school district. The District, governed by a seven member elected school board, operates grades kindergarten through twelve and is comprised of all or parts of nine taxing districts.

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

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

C. Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Statements (Continued)

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

Fund Financial Statements

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

The District has the following major governmental funds:

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

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

Additionally, the District reports the following fiduciary funds:

Employee Benefit Trust Fund – The Employee Benefit Trust Fund is used to account for resources held in trust for formally established employee benefit plans.

Custodial Fund – The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and/or other governmental units, specifically, activities of student organizations are accounted for in the custodial fund.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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

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

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

Investments of the District are stated at fair value. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

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

2. Receivables and Payables

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

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Property Taxes (Continued) – Property taxes are recognized as revenue in the period for which taxes are levied. The 2022 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2023. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

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

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated acquisition value at the time received. Capital assets not being depreciated/amortized include land and construction work in progress.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

	<u>Capitalization Threshold</u>	<u>Amortization/ Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	N/A	N/A
Land Improvements	5,000	Straight-Line	10-20 Years
Buildings	5,000	Straight-Line	50 Years
Building Improvements	5,000	Straight-Line	7-25 Years
Furniture and Equipment	5,000	Straight-Line	5-20 Years
Computer and Related Technology	5,000	Straight-Line	5 Years
Textbooks, Library and Media*	5,000	Straight-Line	6 Years
Right-to-Use Leased Asset – Equipment	5,000	Straight-Line	5 Years
Right-to-Use Leased Asset – Buildings	5,000	Straight-Line	20 Years

* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year.

Right-to-Use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

5. Deferred Outflows of Resources

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred inflows of resources for pension and other postemployment related items.

7. Compensated Absences

It is the District's policy to permit certain employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the District's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 4.D.

8. Other Postemployment Benefits (OPEB) – Single Employer Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), information about the fiduciary net position of the School District of River Falls' plan and additions to/deductions from plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Other Postemployment Benefits (OPEB) – Multiemployer Plan

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

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Wisconsin Retirement System Pension Benefits

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

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

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

11. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are deferred and amortized over the term of the debt issue.

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

12. Use of Restricted Resources

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

13. Equity Classifications

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Equity Classifications (Continued)

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

Fund Financial Statements – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain unassigned portion of fund balance for cash flow of at least 25% but not greater than 30% of the subsequent year's general fund operating expenditure budget.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year-end. Based on resolution of the District Board, the District Board also has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned, and finally unassigned fund balance.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

In the general fund, for the year ended June 30, 2023, the expenditures exceeded the budgeted amount for expenditures as shown below:

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Instruction:				
Regular Curriculum	\$ 10,542,744	\$ 10,542,744	\$ 12,277,237	\$ (1,734,493)
Vocational Curriculum	824,302	824,302	876,581	(52,279)
Physical Curriculum	929,303	929,303	934,079	(4,776)
Co-Curricular Activities	683,706	683,706	705,467	(21,761)
Support Services:				
Business Administration	9,222,529	9,222,529	11,153,158	(1,930,629)
Central Services	66,300	66,300	73,184	(6,884)
Debt Services	168,359	168,359	168,360	(1)
Other Support Services	227,220	227,220	349,035	(121,815)
Nonprogram:				
Purchased Instructional Services	1,500,315	1,500,315	1,520,032	(19,717)

These overages were determined necessary and authorized by management.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, the trust and custodial funds use separate and distinct accounts. All other funds share in common cash and investment accounts.

The District's cash and investments balances at June 30, 2023 as shown in the financial statements as follows:

Governmental Funds	\$ 11,831,908
Fiduciary Funds:	
Employee Benefit Trust Funds	4,841,060
Custodial Funds	44,352
Total	<u>\$ 16,717,320</u>

The above balances at June 30, 2023 consisted of the following.

Deposits at Financial Institutions	\$ 11,876,260
Investments (Employee Benefit Trust Funds)	4,841,060
Total	<u>\$ 16,717,320</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2023, District deposits in the amount of \$21,599 were uncollateralized.

Investments

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

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), evaluator models using credit information, market movement and sector news (Level 2) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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

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

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

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

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
AUL Fixed Interest Account	\$ -	\$ 4,841,060	\$ -	\$ 4,841,060

The above investments consisted of a fixed interest account with American United Life Insurance Company held at MidAmerica. The investments are neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District’s policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.E.1. The District does not have a concentration risk policy that would restrict the percentage of investment holdings that can be in one issuer or counterparty.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The daily maturities of the investment Mid America mitigate this risk to the District.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/ Nonamortized: Land	\$ 1,090,195	\$ -	\$ -	\$ 1,090,195
Construction Work in Progress	674,176	1,082,918	(734,176)	1,022,918
Total Capital Assets, Nondepreciable/Nonamortized	1,764,371	1,082,918	(734,176)	2,113,113
Capital Assets, Depreciable/Amortizable:				
Land Improvements	692,558	32,809	-	725,367
Buildings and Improvements	118,376,905	784,390	-	119,161,295
Furniture and Equipment	11,343,504	725,417	(975,386)	11,093,535
Right-to-Use Leased Assets	588,309	2,685,037	-	3,273,346
Subtotals	131,001,276	4,227,653	(975,386)	134,253,543
Less: Accumulated Depreciation/ Amortization For:				
Land Improvements	319,554	63,399	-	382,953
Buildings and Improvements	36,120,963	4,720,989	-	40,841,952
Furniture and Equipment	7,258,911	1,484,265	(948,701)	7,794,475
Right-to-Use Leased Assets	251,097	299,342	-	550,439
Subtotals	43,950,525	6,567,995	(948,701)	49,569,819
Total Capital Assets, Depreciable/Amortizable, Net	87,050,751	(2,340,342)	(26,685)	84,683,724
Governmental Activities Capital Assets, Net	\$ 88,815,122	\$ (1,257,424)	\$ (760,861)	\$ 86,796,837

Depreciation/amortization was charged to governmental functions as follows:

Instruction:

Regular Instruction	\$ 1,224,721
Vocational Instruction	112,769
Physical Curriculum	1,593
Co-Curricular Activities	83,950

Support Services:

Instructional Staff Services	194,424
Building Administrative Services	20,697
Business Services	67,231
Operation and Maintenance of Plant	3,206,995
Pupil Transportation Services	502,248
Food Service	101,104
Other Support Services	151,982

Unallocated Depreciation/Amortization

900,281	
Total Depreciation/Amortization for Governmental Activities	\$ 6,567,995

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023 was as follows:

Due To/From

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Employee Benefit Trust Fund	\$ 603,863	Employee Benefits
Employee Benefit Trust Fund	General Fund	306,164	Employee Benefits
	Total	<u>\$ 297,699</u>	

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2023 were as follows:

	Balances July 1, 2022	Additions	Reductions	Balances June 30, 2023	Amounts Due Within One Year
General Obligation Bonds	\$ 54,170,000	\$ -	\$ 5,180,000	\$ 48,990,000	\$ 3,485,000
Bond Premiums	2,146,075	-	440,399	1,705,676	-
Bond Discounts	(9,006)	-	(1,788)	(7,218)	-
Lease Liability	341,830	2,685,037	228,199	2,798,668	174,042
Notes Payable from Direct Borrowings	94,629	-	30,210	64,419	31,524
Vested Employee Benefits	1,199,601	68,117	-	1,267,718	57,047
Total	<u>\$ 57,943,129</u>	<u>\$ 2,753,154</u>	<u>\$ 5,877,020</u>	<u>\$ 54,819,263</u>	<u>\$ 3,747,613</u>

The District's estimated liabilities for compensated employee benefits are discussed in Note 4.D.

General Obligation Debt

The individual long-term debt issues of the District outstanding at June 30, 2023 and their related interest requirements at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
General Obligation Bonds:					
General Obligation Corporate Purpose Bonds	7/12/18	4/1/27	3.0% - 5.0%	\$ 38,465,000	\$ 33,965,000
School Building and Improvement Bonds	2/7/19	4/1/38	3.0% - 3.5%	9,495,000	6,680,000
General Obligation Refunding Bonds, Series 2021A	2/11/21	4/1/28	3.0%	13,325,000	8,345,000
Total					<u>\$ 48,990,000</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2023 were as follows:

Fiscal Year Ending June 30,	Governmental Activities				
	General Obligation Bonds		Notes from Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2024	\$ 3,485,000	\$ 1,690,956	\$ 31,524	\$ 2,802	\$ 5,210,282
2025	2,635,000	1,562,206	32,895	1,431	4,231,532
2026	3,745,000	1,477,656	-	-	5,222,656
2027	3,890,000	1,338,906	-	-	5,228,906
2028	4,040,000	1,193,206	-	-	5,233,206
2029-2033	13,535,000	4,436,555	-	-	17,971,555
2034-2038	17,660,000	1,883,693	-	-	19,543,693
Total	<u>\$ 48,990,000</u>	<u>\$ 13,583,178</u>	<u>\$ 64,419</u>	<u>\$ 4,233</u>	<u>\$ 62,641,830</u>

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$3,098,018,128. The legal debt limit and margin of indebtedness as of June 30, 2023 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows.

Debt Limit (10% of \$3,098,018,128)	\$ 309,801,813
Deduct Long-Term Debt Applicable to Debt Margin	49,054,419
Margin of Indebtedness	<u>\$ 260,747,394</u>

The District's outstanding notes from direct borrowings contain provisions that in an event of default, the outstanding amount becomes immediately due if the District is unable to make payments and the equipment is returned.

The District's outstanding bonds payable are backed by the full faith and credit of the District. Bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

The District does not have a line of credit as of June 30, 2023.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Lease Liability

On October 14, 2022, the District entered into a right-to-use lease with River Falls Renaissance Project for the building used by the Renaissance Academy in the amount of \$2,685,037. The lease is for the period through October 2042. The District also leases copiers, printers, computers, and Chromebook with various terms under long-term noncancelable lease agreements, which expire at various dates through 2025. The District is required to make annual principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreements.

The future minimum lease payments for these lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 174,042	\$ 179,964	\$ 354,006
2025	44,465	173,157	217,622
2026	49,935	170,097	220,032
2027	57,905	166,537	224,442
2028	66,533	162,427	228,960
2029-2033	487,339	728,003	1,215,342
2034-2038	817,804	514,006	1,331,810
2039-2043	1,100,645	171,972	1,272,617
Total	<u>\$ 2,798,668</u>	<u>\$ 2,266,163</u>	<u>\$ 1,245,062</u>

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

	<u>Governmental Activities</u>
Right to Use Assets:	
Lease Asset - Machinery and Equipment	\$ 588,309
Lease Asset - Building	2,685,037
Less: Accumulated Amortization	(550,439)
Total	<u>\$ 2,722,907</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Notes Payable

The District has a note payable to TCF Bank for the purchase of a scoreboard in the amount of \$64,419. The District is required to make yearly principal and interest payments. This financed purchase bears interest rate of 4.35%.

E. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2023 consisted of the following:

	<u>Total</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:					
General Fund:					
Unspent Common School Funds	\$ 26,846	\$ 26,846	\$ -	\$ -	\$ -
Unspent Kids Get Ahead Funds	72,244	72,244	-	-	-
Unassigned	<u>14,143,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,143,356</u>
Subtotal General Fund	14,242,446	99,090	-	-	14,143,356
Debt Service Repayments	1,239,205	1,239,205	-	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Student Scholarships and Student Activities	379,740	379,740	-	-	-
Food Service Purposes	689,731	689,731	-	-	-
Community Education Purposes	200,131	200,131	-	-	-
Capital Improvements Fund	<u>667,263</u>	<u>667,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal Nonmajor Funds	<u>1,936,865</u>	<u>1,936,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Governmental Funds Balances at June 30, 2022	 <u>\$ 17,418,516</u>	 <u>\$ 3,275,160</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 14,143,356</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information About the Pension Plan

General Information about the Pension Plan

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

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

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 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.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

The WRS also provides death and disability benefits for employees.

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

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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

During the reporting period, the WRS recognized \$1,605,593 in contributions from the employer.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued). Contribution rates for the reporting period are:

	Employee	Employer
General (Including Teachers)	6.80%	6.80%

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

At June 30, 2023, the District reported a liability of \$6,812,315 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.129858997%, which was an increase of 0.00099622% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$3,466,055.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and		
Actual Experience	\$ 10,849,907	\$ (14,254,343)
Changes of Assumptions	1,339,583	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	11,572,552	-
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions	6,189	(23,580)
District Contributions Subsequent to the Measurement Date	828,332	-
Total	\$ 24,596,563	\$ (14,277,923)

\$828,332 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability (asset) in the year ended June 30, 2024.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2024	\$ 391,664
2025	1,962,259
2026	2,012,421
2027	5,123,964
Total	<u>\$ 9,490,308</u>

Actuarial assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
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% - 5.6%
Mortality:	2020 WRS Experience mortality table
Postretirement Adjustments*:	1.7%

*No postretirement 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 postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation Percent	Long-Term Expected Nominal Real Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Cash	-15.0%	N/A	N/A
Total Core Fund	<u>100%</u>	7.4%	4.8%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	<u>100%</u>	7.7%	5.1%

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
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JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, 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 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,609,853	\$ 6,812,315	\$ (4,055,035)

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>.

Payable to the Pension Plan

At June 30, 2023, the District reported a payable of \$288,116 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Multiemployer Plan

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

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

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

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

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

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

Contribution rates as of June 30, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Multiemployer Plan (Continued)

Contributions (Continued). Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$8,509 in contributions from the District.

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

At June 30, 2023, the District reported a liability of \$1,615,759 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.42410300%, which was an increase of 0.00377700% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$164,774.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Multiemployer Plan (Continued)

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Experience	\$ -	\$ (158,129)
Changes of Assumptions or Other Input	580,506	(953,741)
Net Difference Between Projected and Actual		
Earnings on OPEB Investments	30,319	-
Change in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	59,994	(17,223)
District Contributions Subsequent to the Measurement Date	4,247	-
Total	<u>\$ 675,066</u>	<u>\$ (1,129,093)</u>

\$4,247 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense (revenue) as follows:

<u>Year Ended June 30,</u>	<u>OPEB Expense Amount</u>
2024	\$ (29,861)
2025	(40,573)
2026	(11,675)
2027	(86,893)
2028	(145,700)
Thereafter	(143,572)

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Multiemployer Plan (Continued)

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

Actuarial assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Multiemployer Plan (Continued)

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

Long-term expected Return on Plan Assets (Continued)

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits – Multiemployer Plan (Continued)

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

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

		1% Decrease (2.76%)	Current Discount Rate (3.76%)	1% Increase (4.76%)
Proportionate Share of the Net OPEB Liability (Asset)	6/30/23	\$ 2,202,917	\$ 1,615,759	\$ 1,165,771

Payables to the OPEB Plan

At June 30, 2023, the District reported a payable of \$714 for the outstanding amount of contribution to the Plan required for the year ended June 30, 2023.

C. Other Postemployment Benefit Other Than Pensions (OPEB)

Single-Employer Plan Description

Plan Description

The School District of River Falls' plan is a single-employer defined benefit plan used to provide postemployment benefits other than pensions (OPEB). The District's OPEB consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the District for continued health care for all classifications that are entitled to a benefit are briefly outlined below. The School Board of the School District of River Falls is designated as the administrator of the OPEB plan and it reserves the right to alter, amend, or terminate the OPEB at any time for any reason, without consent.

Benefits Provided

District Administrators: At least age 55 with a minimum of five years of service. The District shall provide an annual HRA contribution for a period of five years. The amount of these contributions is determined by years of service with the District up to a maximum of \$20,000 in return for those with at least 15 years of service. These monies may be used to continue coverage in the District's group medical plan.

Teachers: Hired prior to July 1, 2001; at least age 55 (57 if less than age 50 as of June 30, 2012) with a minimum of 15 years of service. The District will provide an annual HRA contribution for a period of 5 years. The amount of these contributions is determined by years of service in the District. The HRA funds may be used for continued medical coverage on the District's group medical plan.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

Support Staff: (Implicit Rate Subsidy Only) Retirees may remain on the group medical plan provided that the retiree self-pays the full (100%) required medical premium amount. Eligible retirees may also use any accumulated unused sick leave towards payment of such premiums until their exhaustion. The amount of this sick leave benefit differs by classification.

Superintendent: At least age 55 with a minimum of five years of service. The District shall provide an annual HRA contribution for a period of five years. The amount of these contributions is determined by years of service with the District up to a maximum of \$42,000 in return for those with at least 10 years of service. These monies may be used to continue coverage in the District's group medical plan.

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	47
Active Plan Members	410
Total	457

Note: Teachers hired after July 1, 2001 and 20 teachers who opted out of the teacher postemployment benefit noted above receive annual contributions to an HRA during their active years of service. Retirees may choose to remain on the District's group medical plan provided that the retiree self-pays the full amount (100%) of the required premiums. All eligible teachers (regardless of date of hire) may use accumulated unused sick leave towards payments of medical premiums upon retirement.

Contributions

Per Article 6 of the District's Trust Agreement states the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June 30, 2023, the District contributed \$306,164 to the plan.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

Investments

Investment Policy: The School Board of the School District of River Falls' policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. The following was the School Board's asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Annuity	100.0 %

Rate of Return: For the year ended June 30, 2023, the annual money-weighted rate of return, net of investment expense, was 1.37%.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 4,311,620
Plan Fiduciary Net Position - Ending (b)	<u>4,543,361</u>
District's Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (231,741)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	105.37%

The District's net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Salary Increases:	3.0%
Assumed Rate of Return on Plan Assets:	1.3%
Plan Participation of Future Retirees:	100.0%
Discount Rate:	3.3%
Healthcare Cost Trend Rates:	6.25% in 2022 grading to 5.00% over 5 years and then to 4.00% over the next 48 years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount – Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

Actuarial Assumptions (Continued)

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of</u>
Fixed Annuity	100.0 %	1.3 %

Discount Rate

The discount rate used to measure the total OPEB liability was 3.30%, as opposed to a discount rate of 3.40% for the prior year. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Further, the discount rate was determined by looking at actual investment returns for the last three years and take the rounded average, therefore a discount rate of 3.30% was used in calculating the District's OPEB liabilities.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Balances at June 30, 2022	\$ 4,483,202	\$ 4,777,063	\$ (293,861)
Changes for the Year:			
Service Cost	260,974	-	260,974
Interest	151,122	-	151,122
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions or Other Input	20,185	-	20,185
Contributions - Employer	-	306,164	(306,164)
Net Investment Income	-	63,997	(63,997)
Benefit Payments	(603,863)	(603,863)	-
Net Changes	<u>(171,582)</u>	<u>(233,702)</u>	<u>62,120</u>
Balances at June 30, 2023	<u>\$ 4,311,620</u>	<u>\$ 4,543,361</u>	<u>\$ (231,741)</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.30%) or 1-percentage-point higher (4.30%) than the current discount rate:

		1% Decrease (2.30%)	Current Discount Rate (3.30%)	1% Increase (4.30%)
Net OPEB Liability (Asset)	6/30/23	<u>\$ 20,278</u>	<u>\$ (231,741)</u>	<u>\$ (470,098)</u>

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 4.0%) or 1-percentage-point higher (7.00% decreasing to 6.0%) than the current healthcare cost trend rates:

		1% Decrease (5.00% Decreasing to 4.0% then 3.0%)	Healthcare Cost Trend Rates (6.00% Decreasing to 5.0% then 4.0%)	1% Increase (7.00% Decreasing to 6.0% then 5.0%)
Net OPEB Liability (Asset)	6/30/23	<u>\$ (539,236)</u>	<u>\$ (231,741)</u>	<u>\$ 136,948</u>

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$422,070. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 151,843	\$ -
Changes of Assumptions or Other Input	187,019	(107,048)
Net Difference Between Projected and Actual Earnings on OPEB Investments	28,217	-
Total	<u>\$ 367,079</u>	<u>\$ (107,048)</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Other Than Pensions (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2024	\$ 51,054
2025	36,841
2026	50,774
2027	42,057
2028	41,641
Thereafter	37,664
Total	<u>\$ 260,031</u>

The plan does not issue separate financial statements.

D. Compensated Absences

The District's policy on allowing sick leave benefits to vest is based upon employee and union contracts. Retiring employees, who meet certain age and length of service requirements, will receive a cash payout of their unused sick leave at a daily rate and maximum amount dependent upon their position with the District.

The District's estimated liability for sick leave benefits at June 30, 2023 was \$1,267,718 and is financed through the District's annual operating budget on a pay-as-you-go basis. It was recorded as a long-term obligation in the government-wide financial statements.

Compensated absences are liquidated by either the general fund, food service fund, or community education fund.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims have not exceeded this commercial coverage in any of the past three years.

F. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The state has also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The state further allows an exemption equal to 75% of the prior year unused allowable revenue.

This limitation does not apply to revenues needed for 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.

G. In Substance Defeasance

During 2023, the District used existing resources in its debt service fund to provide for the defeasance of \$980,000 in aggregate principal related to the 2025 maturity and scheduled interest payments of the 2018 bonds until their call date of April 1, 2025. The District expended \$1,049,159, including \$13,150 for issuance expenses related to the defeasance from existing resources. The District deposited \$1,036,009 into an escrow account to purchase United States Treasury Certificates of indebtedness, notes and/or bonds of State and Local Government Series (SLGs) to service the defeased bond principal of \$980,000 and interest of \$122,500 when that amount becomes due April 1, 2025. In addition to providing for \$980,000 in principal related to the defeased bonds, the total expenditures of \$1,049,159 from existing resources will provide a savings of \$53,341 in future interest payments scheduled from April 1, 2023 through April 1, 2025 when the defeased bonds are called in April 2025.

As of June 30, 2023, \$33,965,000 of the 2018 bonds remain outstanding.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 13,118,598	\$ 13,118,598	\$ 13,118,598	\$ -
Other Local Sources	504,000	504,000	649,045	145,045
Interdistrict Sources	1,765,322	1,765,322	1,718,448	(46,874)
Intermediate Sources	3,322	3,322	38,917	35,595
State Sources	25,476,270	25,476,270	25,864,058	387,788
Federal Sources	3,538,342	3,538,342	3,585,774	47,432
Other Sources	5,000	5,000	142,924	137,924
Total Revenues	<u>44,410,854</u>	<u>44,410,854</u>	<u>45,117,764</u>	<u>706,910</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	7,330,131	7,330,131	5,465,839	1,864,292
Regular Curriculum	10,542,744	10,542,744	12,277,237	(1,734,493)
Vocational Curriculum	824,302	824,302	876,581	(52,279)
Physical Curriculum	929,303	929,303	934,079	(4,776)
Special Education Curriculum	4,996,592	4,996,592	4,797,700	198,892
Co-Curricular Activities	683,706	683,706	705,467	(21,761)
Other Special Needs	245,235	245,235	238,942	6,293
Total Instruction	<u>25,552,013</u>	<u>25,552,013</u>	<u>25,295,845</u>	<u>256,168</u>
Support Services:				
Pupil Services	2,218,028	2,218,028	2,121,393	96,635
Instructional Staff Services	1,534,063	1,534,063	1,456,980	77,083
General Administration	1,085,305	1,085,305	1,035,415	49,890
School Building Administration	2,626,009	2,626,009	2,616,137	9,872
Business Administration	9,222,529	9,222,529	11,153,158	(1,930,629)
Central Services	66,300	66,300	73,184	(6,884)
Insurance and Judgments	330,000	330,000	323,460	6,540
Debt Services	168,359	168,359	168,360	(1)
Other Support Services	227,220	227,220	349,035	(121,815)
Total Support Services	<u>17,477,813</u>	<u>17,477,813</u>	<u>19,297,122</u>	<u>(1,819,309)</u>
Nonprogram:				
Purchased Instructional Services	1,500,315	1,500,315	1,520,032	(19,717)
Other Nonprogram	36,000	36,000	9,193	26,807
Total Nonprogram	<u>1,536,315</u>	<u>1,536,315</u>	<u>1,529,225</u>	<u>7,090</u>
Total Expenditures	<u>44,566,141</u>	<u>44,566,141</u>	<u>46,122,192</u>	<u>(1,556,051)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(155,287)	(155,287)	(1,004,428)	(849,141)
OTHER FINANCING SOURCES (USES)				
Leases	72,291	72,291	2,685,037	2,612,746
Proceeds from the Sale of Capital Assets	5,000	5,000	15,812	10,812
Total Other Financing Sources	<u>77,291</u>	<u>77,291</u>	<u>2,700,849</u>	<u>2,623,558</u>
NET CHANGE IN FUND BALANCE	(77,996)	(77,996)	1,696,421	1,774,417
Fund Balance - Beginning of Year	<u>12,546,025</u>	<u>12,546,025</u>	<u>12,546,025</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,468,029</u>	<u>\$ 12,468,029</u>	<u>\$ 14,242,446</u>	<u>\$ 1,774,417</u>

See notes to Required Supplementary Information.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Plan Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.12858997%	\$ 6,812,315	\$ 23,220,647	29.34%	95.72%
12/31/2021	0.12759375%	(10,184,291)	22,387,724	45.49%	106.02%
12/31/2020	0.12556865%	(7,839,425)	21,166,798	37.04%	105.26%
12/31/2019	0.12436482%	(4,010,089)	20,186,129	19.87%	102.96%
12/31/2018	0.12343193%	4,391,321	19,020,887	23.09%	96.45%
12/31/2017	0.12383660%	(3,676,855)	18,300,208	20.09%	102.93%
12/31/2016	0.12438012%	1,025,189	17,827,249	5.75%	99.12%
12/31/2015	0.12526479%	2,035,529	17,754,809	11.46%	98.20%
12/31/2014	0.12595558%	(3,093,814)	17,755,313	17.42%	102.74%

See notes to Required Supplementary Information.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

District Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 1,605,593	\$ (1,605,593)	-	\$ 23,652,353	6.79%
6/30/2022	1,529,418	(1,529,418)	-	22,826,500	6.70%
6/30/2021	1,474,703	(1,474,703)	-	21,847,446	6.75%
6/30/2020	1,384,766	(1,384,766)	-	20,816,876	6.65%
6/30/2019	1,285,268	(1,285,268)	-	19,406,979	6.62%
6/30/2018	1,252,921	(1,252,921)	-	18,566,722	6.75%
6/30/2017	1,309,372	(1,309,372)	-	19,513,271	6.71%
6/30/2016	1,186,152	(1,186,152)	-	17,709,948	6.70%
6/30/2015	1,222,624	(1,222,624)	-	17,726,259	6.90%

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

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

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

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

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

OPEB Fiscal Year End Date (Measurement Date)	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.42410300%	\$ 1,615,759	\$ 21,895,000	7.38%	38.81%
12/31/2021	0.42032600%	2,484,282	21,408,000	11.60%	29.57%
12/31/2020	0.40421500%	2,223,474	20,624,000	10.78%	31.36%
12/31/2019	0.40599900%	1,728,823	19,702,000	8.77%	37.58%
12/31/2018	0.41282700%	1,065,233	18,184,000	5.86%	48.69%
12/31/2017	0.41616000%	1,252,051	17,500,712	7.15%	44.81%

See notes to Required Supplementary Information.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

District's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 8,509	\$ (8,509)	\$ -	\$ 21,895,000	0.04%
6/30/2022	8,603	(8,603)	-	21,408,000	0.04%
6/30/2021	8,060	(8,060)	-	20,624,000	0.04%
6/30/2020	8,016	(8,016)	-	20,816,876	0.04%
6/30/2019	7,998	(7,998)	-	19,406,979	0.04%
6/30/2018	8,682	(8,682)	-	18,566,722	0.05%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in LRLIF.

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

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

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

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

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability (Asset)							
Service Cost	\$ 290,161	\$ 213,043	\$ 226,558	\$ 230,982	\$ 280,968	\$ 249,358	\$ 260,974
Interest	188,259	185,631	195,098	178,211	147,194	94,906	151,122
Changes of Benefit Terms	-	-	-	-	-	58,172	-
Differences Between Expected and Actual Experience	-	140,844	-	86,794	-	94,167	-
Changes of Assumptions or Other Input	-	(267,293)	38,340	(80,459)	191,452	45,060	20,185
Benefit Payments	(691,457)	(556,253)	(618,890)	(682,178)	(681,424)	(653,516)	(603,863)
Net Change in Total OPEB Liability	(213,037)	(284,028)	(158,894)	(266,650)	(61,810)	(111,853)	(171,582)
Total OPEB Liability - Beginning	5,579,474	5,366,437	5,082,409	4,923,515	4,656,865	4,595,055	4,483,202
Total OPEB Liability - Ending (a)	<u>\$ 5,366,437</u>	<u>\$ 5,082,409</u>	<u>\$ 4,923,515</u>	<u>\$ 4,656,865</u>	<u>\$ 4,595,055</u>	<u>\$ 4,483,202</u>	<u>\$ 4,311,620</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ -	\$ 1,350,000	\$ 450,000	\$ 995,000	\$ 568,593	\$ 817,471	\$ 306,164
Net Investment Income	67,680	50,678	66,375	75,393	82,100	71,199	63,997
Benefit Payments	(691,457)	(556,253)	(618,890)	(682,178)	(681,424)	(653,516)	(603,863)
Net Change in Plan Fiduciary Net Position	(623,777)	844,425	(102,515)	388,215	(30,731)	235,154	(233,702)
Plan Fiduciary Net Position - Beginning	4,066,292	3,442,515	4,286,940	4,184,425	4,572,640	4,541,909	4,777,063
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,442,515</u>	<u>\$ 4,286,940</u>	<u>\$ 4,184,425</u>	<u>\$ 4,572,640</u>	<u>\$ 4,541,909</u>	<u>\$ 4,777,063</u>	<u>\$ 4,543,361</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 1,923,922</u>	<u>\$ 795,469</u>	<u>\$ 739,090</u>	<u>\$ 84,225</u>	<u>\$ 53,146</u>	<u>\$ (293,861)</u>	<u>\$ (231,741)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	64.15%	84.35%	84.99%	98.19%	98.84%	106.55%	105.37%
Covered Payroll	\$ 12,384,929	\$ 18,090,669	\$ 18,633,389	\$ 20,577,990	\$ 21,298,220	\$ 22,669,642	\$ 23,349,731
District's Net OPEB Liability as a Percentage of Covered Payroll	15.53%	4.40%	3.97%	0.41%	0.25%	-1.30%	-0.99%

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

Changes of Assumptions:

- The discount rate was changed from 3.40% to 3.30%.
- The expected long-term investment return assumption was changed from 2.00% to 1.30%.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (ADC)	\$ 398,188	\$ 1,111,380	\$ 222,040	\$ 748,470	\$ 275,677	\$ 817,471	\$ 306,164
Contributions in Relation to the Actuarially Determined Contribution	-	1,350,000	450,000	995,000	568,335	817,471	306,164
Contribution Deficiency (Excess)	<u>\$ 398,188</u>	<u>\$ (238,620)</u>	<u>\$ (227,960)</u>	<u>\$ (246,530)</u>	<u>\$ (292,658)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,384,929	\$ 18,090,669	\$ 18,633,389	\$ 20,577,990	\$ 21,298,220	\$ 22,669,642	\$ 23,349,731
Contributions as a Percentage of Covered Payroll	0.00%	7.46%	2.42%	4.84%	2.67%	3.61%	1.31%

Notes to Schedule

Valuation Dated: July 1, 2021

Measurement Dated: June 30, 2023

Reporting Dated: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuary Cost Method:	Entry Age Normal, Level Percentage of Pay
Amortization Method:	30 Year Level-Dollar
Asset Valuation Method:	Market Value
Inflation:	2.50%
Healthcare Cost Trend Rates:	6.25% in 2022 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Discount Rate:	3.30%

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF DISTRICT'S INVESTMENT RETURNS ON OPEB PLAN ASSTS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>Year</u>	<u>Percent</u>
2017	1.60%
2018	1.33%
2019	1.73%
2020	1.72%
2021	1.80%
2022	1.57%
2023	1.37%

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

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

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire school board.

Appropriations lapse at year-end unless authorized as a carryover by the school board. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.

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

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund is presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels are as follows:

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Instruction:				
Regular Curriculum	\$ 10,542,744	\$ 10,542,744	\$ 12,277,237	\$ (1,734,493)
Vocational Curriculum	824,302	824,302	876,581	(52,279)
Physical Curriculum	929,303	929,303	934,079	(4,776)
Co-Curricular Activities	683,706	683,706	705,467	(21,761)
Support Services:				
Business Administration	9,222,529	9,222,529	11,153,158	(1,930,629)
Central Services	66,300	66,300	73,184	(6,884)
Debt Services	168,359	168,359	168,360	(1)
Other Support Services	227,220	227,220	349,035	(121,815)
Nonprogram:				
Purchased Instructional Services	1,500,315	1,500,315	1,520,032	(19,717)

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
FUND 10 AND FUND 27
COMBINING BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals
REVENUES												
Local Sources:												
Property Taxes	\$ 13,118,598	\$ -	\$ -	\$ 13,118,598	\$ 13,118,598	\$ -	\$ -	\$ 13,118,598	\$ 13,118,598	\$ -	\$ -	\$ 13,118,598
Other Local Sources	504,000	-	-	504,000	504,000	-	-	504,000	649,045	-	-	649,045
Interdistrict Sources	1,632,322	133,000	-	1,765,322	1,632,322	133,000	-	1,765,322	1,623,448	95,000	-	1,718,448
Intermediate Sources	3,322	-	-	3,322	3,322	-	-	3,322	38,917	-	-	38,917
State Sources	23,987,235	1,489,035	-	25,476,270	23,987,235	1,489,035	-	25,476,270	24,199,473	1,664,585	-	25,864,058
Federal Sources	2,718,348	819,994	-	3,538,342	2,718,348	819,994	-	3,538,342	2,752,611	833,163	-	3,585,774
Other Sources	5,000	-	-	5,000	5,000	-	-	5,000	142,924	-	-	142,924
Total Revenues	41,968,825	2,442,029	-	44,410,854	41,968,825	2,442,029	-	44,410,854	42,525,016	2,592,748	-	45,117,764
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	7,330,131	-	-	7,330,131	7,330,131	-	-	7,330,131	5,465,839	-	-	5,465,839
Regular Curriculum	10,542,744	-	-	10,542,744	10,542,744	-	-	10,542,744	12,277,237	-	-	12,277,237
Vocational Curriculum	824,302	-	-	824,302	824,302	-	-	824,302	876,581	-	-	876,581
Physical Curriculum	929,303	-	-	929,303	929,303	-	-	929,303	934,079	-	-	934,079
Special Education Curriculum	-	4,996,592	-	4,996,592	-	4,996,592	-	4,996,592	-	4,797,700	-	4,797,700
Co-Curricular Activities	683,706	-	-	683,706	683,706	-	-	683,706	705,467	-	-	705,467
Other Special Needs	245,235	-	-	245,235	245,235	-	-	245,235	238,942	-	-	238,942
Total Instruction	20,555,421	4,996,592	-	25,552,013	20,555,421	4,996,592	-	25,552,013	20,498,145	4,797,700	-	25,295,845
Support Services:												
Pupil Services	1,373,048	844,980	-	2,218,028	1,373,048	844,980	-	2,218,028	1,269,287	852,106	-	2,121,393
Instructional Staff Services	1,242,829	291,234	-	1,534,063	1,242,829	291,234	-	1,534,063	1,143,528	313,452	-	1,456,980
General Administration	1,085,305	-	-	1,085,305	1,085,305	-	-	1,085,305	1,035,415	-	-	1,035,415
School Building Administration	2,626,009	-	-	2,626,009	2,626,009	-	-	2,626,009	2,616,137	-	-	2,616,137
Business Administration	9,074,080	148,449	-	9,222,529	9,074,080	148,449	-	9,222,529	11,033,602	119,556	-	11,153,158
Central Services	66,300	-	-	66,300	66,300	-	-	66,300	73,184	-	-	73,184
Insurance and Judgments	330,000	-	-	330,000	330,000	-	-	330,000	323,460	-	-	323,460
Debt Services	168,359	-	-	168,359	168,359	-	-	168,359	168,360	-	-	168,360
Other Support Services	227,220	-	-	227,220	227,220	-	-	227,220	349,035	-	-	349,035
Total Support Services	16,193,150	1,284,663	-	17,477,813	16,193,150	1,284,663	-	17,477,813	18,012,008	1,285,114	-	19,297,122
Nonprogram:												
Purchased Instructional Services	1,420,750	79,565	-	1,500,315	1,420,750	79,565	-	1,500,315	1,459,010	61,022	-	1,520,032
Other Nonprogram	30,000	6,000	-	36,000	30,000	6,000	-	36,000	6	9,187	-	9,193
Total Nonprogram	1,450,750	85,565	-	1,536,315	1,450,750	85,565	-	1,536,315	1,459,016	70,209	-	1,529,225
Total Expenditures	38,199,321	6,366,820	-	44,566,141	38,199,321	6,366,820	-	44,566,141	39,969,169	6,153,023	-	46,122,192
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,769,504	(3,924,791)	-	(155,287)	3,769,504	(3,924,791)	-	(155,287)	2,555,847	(3,560,275)	-	(1,004,428)
OTHER FINANCING SOURCES (USES)												
Leases	72,291	-	-	72,291	72,291	-	-	72,291	2,685,037	-	-	2,685,037
Transfers In	-	3,924,791	(3,924,791)	-	-	3,924,791	(3,924,791)	-	-	3,560,275	(3,560,275)	-
Transfers Out	(3,924,791)	-	3,924,791	-	(3,924,791)	-	3,924,791	-	(3,560,275)	-	3,560,275	-
Proceeds from the Sale of Capital Assets	5,000	-	-	5,000	5,000	-	-	5,000	15,812	-	-	15,812
Total Other Financing Sources (Uses)	(3,847,500)	3,924,791	-	77,291	(3,847,500)	3,924,791	-	77,291	(859,426)	3,560,275	-	2,700,849
NET CHANGE IN FUND BALANCE	(77,996)	-	-	(77,996)	(77,996)	-	-	(77,996)	1,696,421	-	-	1,696,421
Fund Balance - Beginning of Year	12,546,025	-	-	12,546,025	12,546,025	-	-	12,546,025	12,546,025	-	-	12,546,025
FUND BALANCE - END OF YEAR	\$ 12,468,029	\$ -	\$ -	\$ 12,468,029	\$ 12,468,029	\$ -	\$ -	\$ 12,468,029	\$ 14,242,446	\$ -	\$ -	\$ 14,242,446

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
FUND 10
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 13,118,598	\$ 13,118,598	\$ 13,118,598	\$ -
Other Local Sources	504,000	504,000	649,045	145,045
Interdistrict Sources	1,632,322	1,632,322	1,623,448	(8,874)
Intermediate Sources	3,322	3,322	38,917	35,595
State Sources	23,987,235	23,987,235	24,199,473	212,238
Federal Sources	2,718,348	2,718,348	2,752,611	34,263
Other Sources	5,000	5,000	142,924	137,924
Total Revenues	<u>41,968,825</u>	<u>41,968,825</u>	<u>42,525,016</u>	<u>556,191</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	7,330,131	7,330,131	5,465,839	1,864,292
Regular Curriculum	10,542,744	10,542,744	12,277,237	(1,734,493)
Vocational Curriculum	824,302	824,302	876,581	(52,279)
Physical Curriculum	929,303	929,303	934,079	(4,776)
Co-Curricular Activities	683,706	683,706	705,467	(21,761)
Other Special Needs	245,235	245,235	238,942	6,293
Total Instruction	<u>20,555,421</u>	<u>20,555,421</u>	<u>20,498,145</u>	<u>57,276</u>
Support Services:				
Pupil Services	1,373,048	1,373,048	1,269,287	103,761
Instructional Staff Services	1,242,829	1,242,829	1,143,528	99,301
General Administration	1,085,305	1,085,305	1,035,415	49,890
School Building Administration	2,626,009	2,626,009	2,616,137	9,872
Business Administration	9,074,080	9,074,080	11,033,602	(1,959,522)
Central Services	66,300	66,300	73,184	(6,884)
Insurance and Judgments	330,000	330,000	323,460	6,540
Debt Services	168,359	168,359	168,360	(1)
Other Support Services	227,220	227,220	349,035	(121,815)
Total Support Services	<u>16,193,150</u>	<u>16,193,150</u>	<u>18,012,008</u>	<u>(1,818,858)</u>
Nonprogram:				
Purchased Instructional Services	1,420,750	1,420,750	1,459,010	(38,260)
Other Nonprogram	30,000	30,000	6	29,994
Total Nonprogram	<u>1,450,750</u>	<u>1,450,750</u>	<u>1,459,016</u>	<u>(8,266)</u>
Total Expenditures	<u>38,199,321</u>	<u>38,199,321</u>	<u>39,969,169</u>	<u>(1,769,848)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,769,504	3,769,504	2,555,847	(1,213,657)
OTHER FINANCING SOURCES (USES)				
Leases	72,291	72,291	2,685,037	2,612,746
Transfers Out	(3,924,791)	(3,924,791)	(3,560,275)	364,516
Proceeds from the Sale of Capital Assets	5,000	5,000	15,812	10,812
Total Other Financing Sources (Uses)	<u>(3,847,500)</u>	<u>(3,847,500)</u>	<u>(859,426)</u>	<u>2,988,074</u>
NET CHANGE IN FUND BALANCE	(77,996)	(77,996)	1,696,421	1,774,417
Fund Balance - Beginning of Year	<u>12,546,025</u>	<u>12,546,025</u>	<u>12,546,025</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,468,029</u>	<u>\$ 12,468,029</u>	<u>\$ 14,242,446</u>	<u>\$ 1,774,417</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
FUND 27
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Interdistrict Sources	\$ 133,000	\$ 133,000	\$ 95,000	\$ (38,000)
State Sources	1,489,035	1,489,035	1,664,585	175,550
Federal Sources	819,994	819,994	833,163	13,169
Total Revenues	<u>2,442,029</u>	<u>2,442,029</u>	<u>2,592,748</u>	<u>150,719</u>
EXPENDITURES				
Instruction:				
Special Education Curriculum	4,996,592	4,996,592	4,797,700	198,892
Support Services:				
Pupil Services	844,980	844,980	852,106	(7,126)
Instructional Staff Services	291,234	291,234	313,452	(22,218)
Business Administration	148,449	148,449	119,556	28,893
Total Support Services	<u>1,284,663</u>	<u>1,284,663</u>	<u>1,285,114</u>	<u>(451)</u>
Nonprogram:				
Purchased Instructional Services	79,565	79,565	61,022	18,543
Other Nonprogram	6,000	6,000	9,187	(3,187)
Total Nonprogram	<u>85,565</u>	<u>85,565</u>	<u>70,209</u>	<u>15,356</u>
Total Expenditures	<u>6,366,820</u>	<u>6,366,820</u>	<u>6,153,023</u>	<u>213,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,924,791)	(3,924,791)	(3,560,275)	364,516
OTHER FINANCING SOURCES				
Transfers In	<u>3,924,791</u>	<u>3,924,791</u>	<u>3,560,275</u>	<u>(364,516)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue Funds			Capital Improvement Fund	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Education		
ASSETS					
Cash and Investments	\$ 397,483	\$ 753,391	\$ 282,775	\$ 667,263	\$ 2,100,912
Accounts Receivable	1,883	-	823	-	2,706
Due from Other Governments	-	14,649	-	-	14,649
	<u>-</u>	<u>14,649</u>	<u>-</u>	<u>-</u>	<u>14,649</u>
Total Assets	<u>\$ 399,366</u>	<u>\$ 768,040</u>	<u>\$ 283,598</u>	<u>\$ 667,263</u>	<u>\$ 2,118,267</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 19,626	\$ 54,436	\$ 10,207	\$ -	\$ 84,269
Accrued Salaries and Wages	-	-	73,260	-	73,260
Unearned Revenues	-	23,873	-	-	23,873
Total Liabilities	<u>19,626</u>	<u>78,309</u>	<u>83,467</u>	<u>-</u>	<u>181,402</u>
Fund Balances:					
Restricted	379,740	689,731	200,131	667,263	1,936,865
Total Fund Balances	<u>379,740</u>	<u>689,731</u>	<u>200,131</u>	<u>667,263</u>	<u>1,936,865</u>
Total Liabilities and Fund Balances	<u>\$ 399,366</u>	<u>\$ 768,040</u>	<u>\$ 283,598</u>	<u>\$ 667,263</u>	<u>\$ 2,118,267</u>

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			Capital Improvement Fund	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Education		
REVENUES					
Local Sources:					
Property Taxes	\$ -	\$ -	\$ 220,000	\$ -	\$ 220,000
Other Local Sources	624,707	1,245,260	832,554	11,259	2,713,780
State Sources	-	30,988	-	-	30,988
Federal Sources	-	824,304	-	-	824,304
Total Revenues	<u>624,707</u>	<u>2,100,552</u>	<u>1,052,554</u>	<u>11,259</u>	<u>3,789,072</u>
EXPENDITURES					
Instruction:					
Regular Instruction	106,902	-	-	-	106,902
Vocational Instruction	14,557	-	-	-	14,557
Other Instruction	417,938	-	-	-	417,938
Support Services:					
Operation and Maintenance of Plant	10,827	-	-	-	10,827
Pupil Transportation Services	9,985	-	17,395	-	27,380
Food Service	-	2,124,186	-	-	2,124,186
Debt Service	34,326	-	-	-	34,326
Other Support Services	-	-	37,226	-	37,226
Community Services	-	-	933,793	-	933,793
Nonprogram:					
Post-Secondary Scholarship	4,500	-	-	-	4,500
Other Program	4,388	-	-	-	4,388
Total Expenditures	<u>603,423</u>	<u>2,124,186</u>	<u>988,414</u>	<u>-</u>	<u>3,716,023</u>
NET CHANGE IN FUND BALANCES	21,284	(23,634)	64,140	11,259	73,049
Fund Balances - Beginning of Year	<u>358,456</u>	<u>713,365</u>	<u>135,991</u>	<u>656,004</u>	<u>1,863,816</u>
FUND BALANCES - END OF YEAR	<u>\$ 379,740</u>	<u>\$ 689,731</u>	<u>\$ 200,131</u>	<u>\$ 667,263</u>	<u>\$ 1,936,865</u>

OTHER INFORMATION

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2023**

SECTION I: AUTHORIZER INFORMATION

Authorizing Entity: School District of River Falls
 Authorizer Address: 852 East Division Street
 Authorizer Contact Person: Lynette Coy
 Contact Person Title: Director of Finance
 Contact Person Phone: 715-425-1800
 Contact Person Email: lynette.coy@rfsd.k12.wi.us

SECTION II: CHARTER SCHOOL INFORMATION

School Name:	Contract Start Date:	Contract Expiration Date:	Grades Served:
Renaissance Charter Academy	7/1/2017	6/30/2023	9-12
Montessori Charter Elementary	7/1/2017	6/30/2023	K4-6
E School	7/1/2021	6/30/2023	K-8

All contracts have been renewed.

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOL

The River Falls eSchool Charter School provides an at-home, virtual learning experience for students to thrive in personalized learning, and to ensure the development of every student’s unique potential in order to excel as responsible, productive, global citizens, facilitated by forward-thinking staff in a safe, nurturing, and collaborative environment. The River Falls eSchool Charter School will utilize Wisconsin Virtual School Curriculum or other innovative curricular materials that meet the District’s identified essential standards K-8 in all content areas.

The Charter School shall provide an environment whereby students have the freedom to study at their preferred pace, time and place under the supervision of their parent(s) and Local Education Guide. The Charter School will utilize an instructional delivery model in which instruction may be done in the student’s home. This may be accomplished through use of available correspondence or online courses. It will also utilize special techniques of course design, special instructional techniques, special methods of communication by electronic and other technology, as well as organizational and administrative arrangements.

During the 2022-23 school year, the River Falls eSchool served a total of 20 students in grades K-8. No students were tested in Grade 3, 0% of students tested in Grade 4, 0% of students tested in Grade 5, 100% of students tested in Grade 6, 0% of students tested in Grade 7, and 25% of students tested in Grade 8 were proficient or advanced in Reading/Language Arts as demonstrated on the Wisconsin Forward Exam. Additionally, no students were tested in Grade 3, 50% of students tested in Grade 4, 0% of students tested in Grade 5, 50% of students tested in Grade 6, 100% of students tested in Grade 7, and 25% of students tested in Grade 8 were proficient or advanced in Math on their Wisconsin Forward Exam results.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2023**

River Falls Public Montessori Academy (RFPMA) is a collaborative community that supports the development of intrinsically motivated, inquisitive, critical thinking citizens who realize their full potential to serve and positively impact the world. By following the Montessori Method, we promote individualized learning through the exploration and inquiry in multi-aged communities to develop the whole child. During the 2022-2023 school year, the RFPMA served a total of 190 students in grades 4K-6. 20.7% of students tested in Grade 3, 46.9% of students tested in Grade 4, 33.5% of students tested in Grade 5 and 62.6% of students tested in Grade 6 were proficient or advanced in reading/language arts as demonstrated on the Wisconsin Forward Exam. Additionally, 13.8% of students tested in Grade 3, 31.2% of students tested in Grade 4, 33.3% of students tested in Grade 5 and 50% of students tested in Grade 6 were proficient or advanced in Math on their Wisconsin Forward Exam results.

The Renaissance Charter Academy is an innovative charter school that offers programs to meet the needs of a wide range of learners. Our specialty lies in the area of individualized learning with social and emotional support. The Renaissance Charter Academy partners with the River Falls High School to offer students a larger variety of courses, electives, sports, activities, and clubs. We also offer dual credit courses in cooperation with local technical colleges. We ensure that all students have a firm grasp of core academics and skills necessary to achieve post-secondary life goals. Students at the Renaissance Charter Academy are expected to demonstrate independent learning skills and embrace the concept of lifelong learning. Academic and career planning is essential in helping students explore careers and the postsecondary options that connect to those careers. An evening program is offered for students interested in credit recovery. During the 2022-23 school year, the Renaissance Charter Academy served a total of up to 61 full time students in grades 9-12, and an additional 4 students were provided educational services offered through their Knight Program during the past school year. Of the 18 seniors enrolled in the program, 14 graduated from the River Falls School District. The Renaissance Charter Academy completes the annual PI-9550-ASA report for the Wisconsin Department of Public Instruction annually.

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS

The River Falls eSchool, River Falls Public Montessori Elementary, and the Renaissance Charter Academy have met all of the District financial objectives and guidelines established for the 2022-2023 school year. They are all in good financial standing with the River Falls School District.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2023**

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS (OPTIONAL)

None.

SECTION VI: AUTHORIZER OPERATING COSTS

Renaissance Charter Academy

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 12,233
EMPLOYEE BENEFITS	200	6,549
TOTAL		\$ 18,782

Montessori School

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 49,893
EMPLOYEE BENEFITS	200	26,710
TOTAL		\$ 76,603

E School

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
EMPLOYEE SALARIES	100	\$ 2,159
EMPLOYEE BENEFITS	200	1,156
TOTAL		\$ 3,315

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

Renaissance Charter Academy

SERVICES PROVIDED	FUNCTION CODE	COST
BUILDING ADMINISTRATION	240000	\$ 1,022
TOTAL		\$ 1,022

Montessori School

SERVICES PROVIDED	FUNCTION CODE	COST
BUILDING ADMINISTRATION	240000	\$ 4,168
TOTAL		\$ 4,168

E School

SERVICES PROVIDED	FUNCTION CODE	COST
BUILDING ADMINISTRATION	240000	\$ 180
TOTAL		\$ 180

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/Program of Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) 7/1/2022	Total Federal Expenditures	Grant Reimbursements	Accrued Receivable (Unearned Revenue) 6/30/2023
<u>U.S. Department of Agriculture</u>								
Local Food For Schools	10.185	WI DPI	Not Available	\$ -	\$ -	\$ 3,802	\$ 3,802	\$ -
Child Nutrition Cluster:								
School Breakfast Program	10.553	WI DPI	2023-474893-DPI-SB-546	-	-	64,646	62,966	1,680
National School Lunch Program Commodities	10.555	WI DPI	Not Available	-	-	162,176	162,176	-
National School Lunch Program	10.555	WI DPI	2023-474893-DPI-NSL-547	-	-	590,555	577,657	12,898
National School Lunch Program Snack Program	10.555	WI DPI	2023-474893-DPI-SK_NSL-561	-	-	3,125	3,054	71
Total Child Nutrition Cluster				-	-	820,502	805,853	14,649
U.S. Department of Agriculture				-	-	824,304	809,655	14,649
<u>U.S. Department of Education</u>								
Wisconsin Department of Public Instruction:								
ESEA Title I-A Basic Grant	84.010	WI DPI	2023-474893-DPI-TIA-141	-	-	125,375	-	125,375
Special Education Cluster:								
IDEA Flow Through	84.027	WI DPI	2023-474893-DPI-FLOW-341	-	690,969	709,195	690,969	709,195
IDEA Preschool Entitlement	84.173	WI DPI	2023-474893-DPI-PRESCH-347	-	16,753	17,386	16,753	17,386
Total Special Education Cluster				-	707,722	726,581	707,722	726,581
Carl Perkins Act Formula Allocation	84.048	WI DPI	2023-474893-DPI-CTE-400	-	-	20,434	-	20,434
ESEA Title II-A Supporting Effective Instruction State Grants	84.367A	WI DPI	2023-474893-DPI-TIIA-365	-	-	51,081	-	51,081
ESEA - Title IV-A Student Support Academic Enrichment Grant	84.424A	WI DPI	2023-474893-DPI-TIVA-381	-	-	8,489	8,489	-
COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425U	WI DPI	2022-474893-DPI-ESSERFIII-165	-	-	2,070,281	-	2,070,281
ESEA Title III-A English Language Acquisition	84.365A	WI DPI, CESA #11	2023-474893-DPI-TIIIA-391	-	-	4,322	4,322	-
Total U.S. Department of Education				-	707,722	3,006,563	720,533	2,993,752
<u>Federal Communications Commission</u>								
COVID 19 - Emergency Connectivity Fund Program	32.009	Direct Aid	N/A	-	93,867	-	93,867	-
<u>U.S. Department of Health and Human Services</u>								
Wisconsin Department of Health Services:								
School Health Workforce Development Grant	93.354	CESA #11	Not Available	-	-	30,095	-	30,095
Medical Assistance Program	93.778	WI DHS	44230700	-	5,848	220,586	199,301	27,133
Total U.S. Department of Health and Human Services				-	5,848	250,681	199,301	57,228
Total Expenditures of Federal Awards				\$ -	\$ 807,437	\$ 4,081,548	\$ 1,823,356	\$ 3,065,629

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.
(66)

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	State Grant Number	Accrued Receivable (Unearned Revenue) 7/1/2022	Expenditures	State Reimbursements	Accrued Receivable (Unearned Revenue) 6/30/2023
<u>Wisconsin Department of Public Instruction</u>						
Major State Programs:						
General Equalization	255.201	474893-116	\$ -	\$ 20,796,400	\$ 20,796,400	\$ -
Total Major Programs			-	20,796,400	20,796,400	-
Nonmajor State Programs:						
Handicapped Pupils and School Age Parents:	255.101	[1]				
Internal District Programs		474893-101	-	1,644,521	1,644,521	-
State Lunch	255.102	474893-107	-	16,396	16,396	-
Common School Fund	255.103	474893-104	-	205,868	205,868	-
Pupil Transportation	255.107	474893-102	-	94,758	94,758	-
WI School Day Milk Program	255.115	474893-109	-	4,944	4,944	-
School Mental Health Program	255.227	474893-176	-	91,551	91,551	-
School Breakfast Program	255.344	474893-108	-	9,648	9,648	-
Early College Credit Program	255.445	474893-178	-	2,313	2,313	-
Per Pupil Adjustment Aid	255.945	474893-116	-	2,506,476	2,506,476	-
Educator Effectiveness Grant	255.940	474893-154	-	20,480	20,480	-
Career and Technical Education Incentive Grant	255.950	474893-152	55,699	74,777	130,476	-
Assessments of Reading Readiness Grant	255.956	474893-166	-	7,752	7,752	-
Robotics Lead Participation Grant	255.959	474893-167	-	3,679	3,679	-
Aid for Special Education Transition Grant	255.960	474893-168	-	20,064	20,064	-
Total Nonmajor Programs			55,699	4,703,227	4,758,926	-
<u>Wisconsin Department of Workforce Development</u>						
Major State Program:						
Youth Apprenticeship	445.194		42,681	284,900	327,581	-
Total State Financial Assistance			\$ 98,380	\$ 25,784,527	\$ 25,882,907	\$ -

[1] District's 2022-23 Aidable Costs Reported to DPI Totaled \$5,201,255.96.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, which in certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and the State Single Audit Guidelines. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

NOTE 3 INDIRECT COSTS

The District has not elected to use the 10% de minimis indirect cost rate.

NOTE 4 MEDICAL ASSISTANCE

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



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

Board of Education
School District of River Falls
River Falls, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of River Falls (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

School District of River Falls' Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Hudson, Wisconsin
January 8, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES*

Board of Education
School District of River Falls
River Falls, Wisconsin

Report on Compliance for Each Major Federal and State Program
Opinion on Each Major Federal and State Program

We have audited School District of River Falls' (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Hudson, Wisconsin
January 8, 2024

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- | | | | | |
|--|---|-----|---|---------------|
| * Material weakness(es) identified? | X | yes | | no |
| * Significant deficiency(es) identified? | | yes | X | none reported |
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- | | | | | |
|--|--|-----|---|---------------|
| * Material weakness(es) identified? | | yes | X | no |
| * Significant deficiency(es) identified? | | yes | X | none reported |
2. Type of auditors' report issued on compliance for major federal program Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of Major Federal Program(s):

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
84.425U	COVID-19 - Education Stabilization Aid

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

- Auditee qualified as low-risk auditee? yes X no

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Financial Assistance

1. Internal control over state projects:
- * Material weakness(es) identified? _____ yes X no
 - * Significant deficiency(es) identified that are not considered to be material weakness(es)? _____ yes X none reported
2. Type of auditors' report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes X no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
445.194	Youth Apprenticeship
255.201	General Equalization Aids

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Other Issues

1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. No
- Department of Public Instruction No
- Department of Health Services No
3. Was a management letter or other document conveying audit comments issued as a result of this letter? No



4. Name and signature of Signing Director Daniel R Carlson, CPA

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

***Section II – Financial Statement Findings Related to Internal Control Over Financial Reporting
(Continued)***

FINDING: 2023-001 Material Audit Adjustments

- Type of Finding:** Material weakness in internal control over financial reporting
- Criteria:** The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.
- Condition:** The audit firm proposed, and the District posted to its general ledger accounts journal entries for correcting certain misstatements.
- Context:** The District has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with accounting principles generally accepted in the United States of America (GAAP). Management will review and approve those entries prior to recording them.
- Cause:** The District has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.
- Effect:** The financial statements of the District may include inaccurate information not detected or prevented by District staff.
- Recommendation:** The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.
- Repeat Finding:** None.
- Views of Responsible Officials:** Management agrees with the finding and has developed a plan to correct the finding.

**SCHOOL DISTRICT OF RIVER FALLS
RIVER FALLS, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings Related to Major Federal Award Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings Related to Major State Financial Assistance Programs

Our audit did not disclose any matters required to be reported in accordance with *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended June 30, 2023.

Section V – Findings Related to State General and Program Requirements

None

