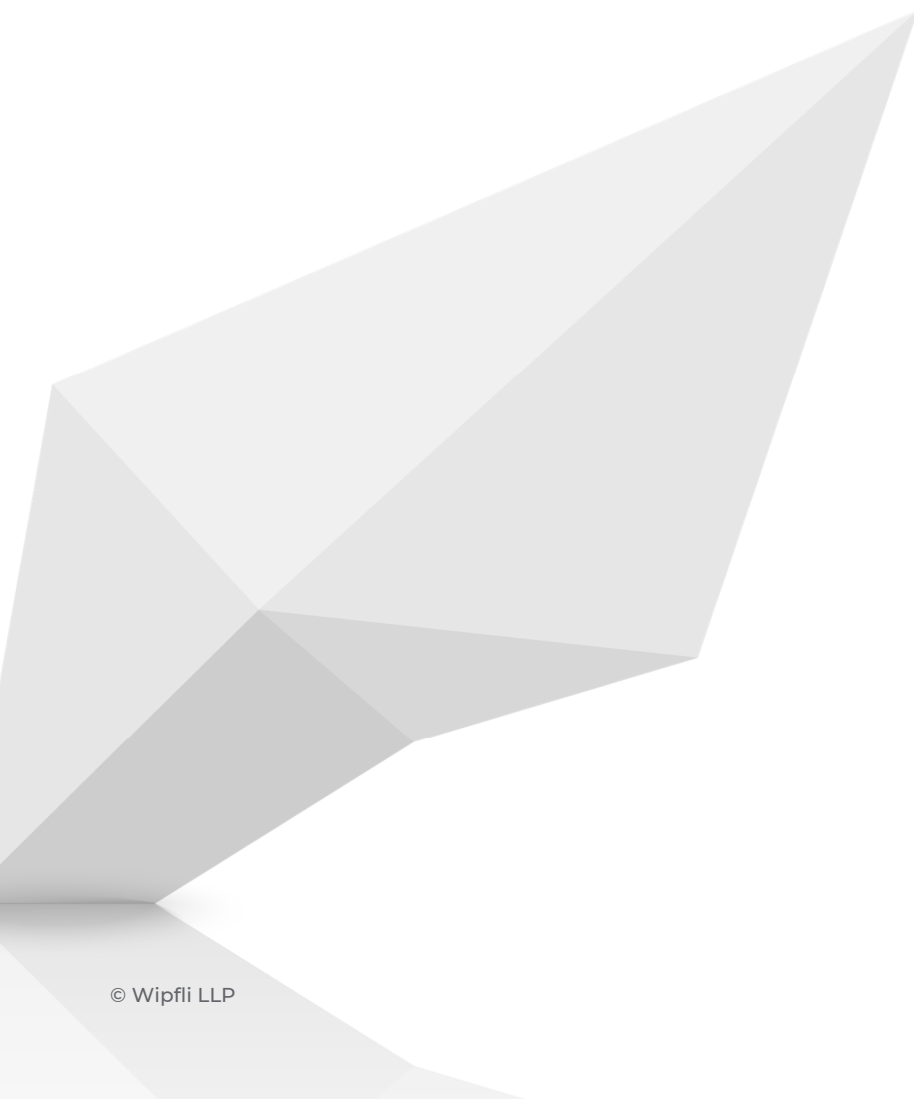


River Valley School District

Spring Green, Wisconsin

Financial Report

Year Ended June 30, 2020



River Valley School District
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2020

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River Valley School District
Financial Statements and Supplementary Financial Information
Year Ended June 30, 2020

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Independent Auditor's Report

Board of Education
River Valley School District
Spring Green, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River Valley School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to on the previous page 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 River Valley School District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that management's discussion and analysis and the budgetary comparison schedule – general fund and the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions – Wisconsin Retirement System and LRLIF, on pages 4 through 11 and 43 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) 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, and are also not a required part of the basic financial statements. The combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020, on our consideration of the River Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin

October 28, 2020

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

This section of the River Valley School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's overall financial position, as reflected in total net position is \$17,028,934.
- Net position increased \$1,195,222 during the year.
- In the governmental funds, the District's total fund balance increased \$767,932 during the year. The General Fund balance increased by \$715,316.

Overview of the Financial Statements

The basic financial statements are comprised of (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

Government-Wide Financial Statements

- The government-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. As of June 30, 2020, the District had no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

Fund Financial Statements

- The District also produces *fund financial statements*. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.
- There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. Generally, fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.
- Because the focus of fund financial statements is narrower than that of the government-wide statements, it is useful to make comparisons between the information presented. By doing so, readers may better understand the long-term implications of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The District has two kinds of funds: *governmental* and *fiduciary*. The District maintains individual governmental funds (general, special revenue, debt service, and capital projects) as needed. The District has one *fiduciary fund*.
- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* for the general fund since this fund is considered to be a major fund. Data for the remaining governmental funds are combined into a single, aggregated column.
- The District serves as a trustee, or fiduciary, for various scholarship programs. The assets of these organizations and programs do not directly benefit nor are they under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.
- The District adopts an annual budget for all governmental funds. For financial statement reporting purposes, the general fund and special education fund are combined and reported as the general fund. A budgetary comparison statement for the general fund has been provided to demonstrate budget compliance.

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

Notes to the Financial Statements

- The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.
- The major features of the District's financial statements, including the portion of the activities reported and the type of information contained, are shown in the table below.

	Fund Financial Statement		
	Government-Wide	Governmental	Fiduciary
<i>Scope</i>	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, and community services.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the District are reported here.
<i>Required financial statements</i>	Statement of net position. Statement of activities.	Balance sheet. Statement of revenues, expenditures, and changes in fund balance.	Statement of fiduciary net position. Statement of changes in fiduciary net position.
<i>Basis of accounting and measurement of focus</i>	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
<i>Type of asset and liability information</i>	All assets and liabilities, both financial and capital, short-term, and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term, and long-term. These funds do not currently contain any capital assets, although they can.
<i>Type of inflow and outflow information</i>	All revenues and expenses during the year, regardless of when cash or is paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions or deductions during the year, regardless of when cash is received or paid.

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

Financial Analysis

The District as a Whole

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,028,934 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (\$9,965,255 or 59 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

River Valley School District *Net Position*

Governmental Activities	2020	2019
Current and other assets	\$ 9,977,912	\$ 7,741,090
Capital assets	10,987,442	10,589,068
Total assets	20,965,354	18,330,158
Deferred outflows of resources	3,838,310	5,051,007
Long-term liabilities	1,408,734	3,350,793
Other liabilities	1,248,328	1,462,739
Total liabilities	2,657,062	4,813,532
Deferred inflows of resources	5,117,668	2,733,921
Net position:		
Net investment in capital assets	9,965,255	9,433,343
Restricted	2,453,471	717,554
Unrestricted	4,610,208	4,682,815
Total net position	\$ 17,028,934	\$ 15,833,712

- The 2019 balances were restated for the implementation of GASB 84.

River Valley School District
Management's Discussion and Analysis
Year Ended June 30, 2020

The District as a Whole (Continued)

River Valley School District
Change in Net Position

Governmental Activities	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 835,959	\$ 934,149
Operating grants and contributions	2,533,147	2,239,185
General revenues:		
Property taxes	9,677,460	8,994,953
State aid-formula grants	6,529,221	6,195,141
Other	98,850	106,154
Total revenues	19,674,637	18,469,582
Expenses:		
Instruction	10,848,707	10,794,480
Pupil services	1,240,892	911,338
Instructional staff services	1,123,437	1,033,837
General administration services	399,729	447,457
Building administration services	726,976	745,195
Business services	3,516,391	4,235,984
Central services	-	1,445
Insurance	126,851	136,313
Other support services	3,716	16,318
Community services	96,605	97,895
Interest	39,184	42,626
Unallocated depreciation, excluding direct	356,927	358,797
Total expenses	18,479,415	18,821,685
Change in position	1,195,222	(352,103)
Net position - Beginning of year	15,833,712	16,185,815
Net position - End of year	\$ 17,028,934	\$15,833,712

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

The District as a Whole (Continued)

The District's total revenues were \$19,674,637 for the year ended June 30, 2020. Property taxes and state formula aid accounted for 82 percent of total revenue for the year. The remaining 18 percent came from operating grants and contributions, charges for services, and other general revenues.

The total cost of all programs and services was \$18,479,415. The District's expenses are predominantly related to instruction (59 percent). The purely administrative activities of the District accounted for just 6 percent of total costs.

Governmental Funds

The District completed the year with a total governmental fund balance of \$7,046,283, which is \$767,932 more than last year's ending fund balance of \$6,278,351.

The general fund had an increase in fund balance of \$715,316. This was primarily due to the district receiving revenue above the budget amounts and expenditures being under the budget amounts. During the 2019-2020 school year the District received \$179,917 in High Cost Transportation Aid, which was not part of the budget. In addition, one-time state grants and interest rates were also higher than expected.

Revenues and other financing sources exceeded expenditures and other financing uses by \$52,616 for the other nonmajor governmental funds. These funds included the Donation/Student Activity Fund Fund, Debt Service Fund, Capital Projects Fund, Food Service Fund, and Community Service Fund.

General Fund Budgetary Highlights

The District's original and final budget for the general fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$153,031, the actual results for the year show a \$715,316 surplus.

Actual revenues were \$289,188 more than expected, due largely to additional state and federal aid.

The actual expenditures were \$229,633 less than budget.

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

Capital Assets and Debt Administration

Capital Assets

At the end of the 2020 fiscal year, the District had invested over \$23 million in a broad range of capital assets, including land, buildings, and equipment. Additional information about capital assets can be found in Note 4. Total accumulated depreciation on these assets exceeded \$12 million for governmental activities.

Asset acquisitions for governmental activities totaled \$1,232,049.

The District recognized depreciation expense of \$833,675 for governmental activities.

River Valley School District *Capital Assets*

Governmental Activities	2020	2019
Land	\$ 138,643	\$ 138,643
Construction in process	113,587	
Buildings and improvements	19,993,383	18,907,075
Land improvements	944,278	944,278
Machinery and equipment	2,300,197	2,268,043
Accumulated depreciation	(12,502,646)	(11,668,971)
Total	\$ 10,987,442	\$ 10,589,068

Long-Term Liabilities

At year-end, the District had \$1,408,734 in loans and other long-term debt outstanding. Additional information about the District's long-term obligations is presented in Note 5 to the financial statements.

River Valley School District *Outstanding Long-Term Liabilities*

Governmental Activities	2020	2019
State trust fund loan	\$ 1,022,187	\$ 1,155,725
Pension liability	-	1,936,354
Supplemental pension benefits	-	27,000
Other post-employment benefits	386,547	231,714
	\$ 1,408,734	\$ 3,350,793

The District retired \$133,538 of outstanding notes.

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2020

Factors Bearing on the District's Future

Current circumstances that will impact the District's financial status in the future are as follows:

The District enrollment is projected to decrease over the next seven years. Enrollment for the 2021-2022 fiscal year is projected to decrease by approximately 50 students from the prior year. Student count is a major piece of the revenue limit formula so the District will have to consider future operational referendums and/or budget reductions moving forward.

The District will be in Year 3, which is the final year of a non-recurring operational referendum in 2021-2022. The referendum amount in 2021-2022 is \$3,213,000. The District will have to consider a future operational referendum beginning with the 2021-2022 and/or consider significant budget reductions.

The State of Wisconsin has an open enrollment law that allows students to attend the school district of their choice with few restrictions. The state adjusts each district's general state aid payment based on the number of students who transfer. The District expects to have a net loss of 90 students that will decrease state aid by approximately \$750,000 in 2021-2022.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brian Krey, Business Manager, River Valley School District, 660 W. Daley St., Spring Green, WI 53588.

Government-Wide Financial Statements

River Valley School District

Statement of Net Position

June 30, 2020

	Governmental Activities
<hr/> <i>Assets and Deferred Outflows of Resources</i> <hr/>	
Current assets:	
Cash and investments	\$ 5,067,839
Receivables:	
Taxes	3,013,576
Due from other governments	213,196
<hr/> Total current assets	<hr/> 8,294,611
Noncurrent assets:	
Restricted net pension asset	1,683,301
Capital Assets:	
Capital assets not being depreciated	252,230
Capital assets being depreciated, net	10,735,212
<hr/> Total noncurrent assets	<hr/> 12,670,743
<hr/> Total assets	<hr/> 20,965,354
Deferred outflows of resources:	
Related to pensions/OPEB	3,838,310
<hr/> Total assets and deferred outflows of resources	<hr/> \$ 24,803,664
<hr/> <i>Liabilities, Deferred Inflows of Resources, and Net Position</i> <hr/>	
Current liabilities:	
Accounts payable	\$ 9,525
Accrued liabilities	1,238,803
Current portion of long-term obligations	138,140
<hr/> Total current liabilities	<hr/> 1,386,468
Noncurrent liabilities:	
Note payable	884,047
Net OPEB liability	386,547
<hr/> Total noncurrent liabilities	<hr/> 1,270,594
<hr/> Total liabilities	<hr/> 2,657,062
Deferred inflows of resources:	
Related to pensions/OPEB	5,117,668
Net position:	
Net investment in capital assets	9,965,255
Restricted	2,453,471
Unrestricted	4,610,208
<hr/> Total net position	<hr/> 17,028,934
<hr/> Total liabilities, deferred inflows of resources, and net position	<hr/> \$ 24,803,664

See accompanying notes to financial statements.

River Valley School District

Statement of Activities Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ 6,756,123	\$ 507,119	\$ 1,077,564	\$ (5,171,440)
Vocational instruction	649,141	-	-	(649,141)
Special education instruction	2,180,833	-	1,096,256	(1,084,577)
Other instruction	1,262,610	95,890	-	(1,166,720)
Total instruction	10,848,707	603,009	2,173,820	(8,071,878)
Support services:				
Pupil services	1,240,892	-	-	(1,240,892)
Instructional staff services	1,123,437	12,513	-	(1,110,924)
General administration services	399,729	-	-	(399,729)
Building administration services	726,976	-	-	(726,976)
Business services	3,516,391	220,437	359,327	(2,936,627)
Insurance	126,851	-	-	(126,851)
Other support services	3,716	-	-	(3,716)
Community services	96,605	-	-	(96,605)
Interest	39,184	-	-	(39,184)
Depreciation - Unallocated	356,927	-	-	(356,927)
Total support services	7,630,708	232,950	359,327	(7,038,431)
Total school district	\$ 18,479,415	\$ 835,959	\$ 2,533,147	\$ (15,110,309)
General revenues:				
Property taxes:				
General purposes				9,424,738
Debt service				172,722
Community service				80,000
State and federal aids not restricted to specific functions				6,529,221
Interest and investment earnings				62,104
Miscellaneous				36,746
Total general revenues				16,305,531
Change in net position				1,195,222
Net position - Beginning of year, as restated				15,833,712
Net position - End of year				\$ 17,028,934

See accompanying notes to financial statements.

Fund Financial Statements

River Valley School District
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 4,350,566	\$ 717,273	\$ 5,067,839
Receivables:			
Taxes	3,013,576	-	3,013,576
Due from other governments	154,846	58,350	213,196
Total assets	\$ 7,518,988	\$ 775,623	\$ 8,294,611
Liabilities:			
Accounts payable	\$ 9,525	-	\$ 9,525
Accrued liabilities	1,233,350	5,453	1,238,803
Total liabilities	1,242,875	5,453	1,248,328
Fund balances:			
Restricted	-	770,170	770,170
Unassigned	6,276,113	-	6,276,113
Total fund balances	6,276,113	770,170	7,046,283
Total liabilities and fund balances	\$ 7,518,988	\$ 775,623	\$ 8,294,611

See accompanying notes to financial statements.

River Valley School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Total fund balances - Governmental funds		\$ 7,046,283
--	--	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 23,490,088	
Governmental accumulated depreciation	(12,502,646)	10,987,442

The net pension and OPEB liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position:

Net pension asset		1,683,301
Net OPEB liability		(386,547)
Deferred outflows of resources related to pensions/OPEB		3,838,310
Deferred inflows of resources related to pensions/OPEB		(5,117,668)

Long-term liabilities, including notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

Notes payable		(1,022,187)
---------------	--	-------------

Total net position - Governmental activities		\$ 17,028,934
--	--	---------------

See accompanying notes to financial statements.

River Valley School District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2020

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 9,424,738	\$ 252,722	\$ 9,677,460
Other local sources	166,749	529,276	696,025
Interdistrict sources	496,811	-	496,811
Intermediate sources	32,531	-	32,531
State sources	7,672,431	10,928	7,683,359
Federal sources	690,793	348,399	1,039,192
Other sources	48,546	713	49,259
Total revenues	18,532,599	1,142,038	19,674,637
Expenditures:			
Instruction:			
Regular instruction	6,678,135	3,046	6,681,181
Vocational instruction	641,860	300	642,160
Special instruction	2,191,241	-	2,191,241
Other instruction	1,203,771	-	1,203,771
Total instruction	10,715,007	3,346	10,718,353
Support services:			
Pupil services	967,587	263,864	1,231,451
Instructional staff services	1,116,487	-	1,116,487
General administration services	396,977	-	396,977
Building administration services	718,456	1,113	719,569
Business services	3,745,202	552,332	4,297,534
Insurance	126,851	-	126,851
Other support services	30,716	-	30,716
Community services	-	96,045	96,045
Total support services	7,102,276	913,354	8,015,630
Debt service:			
Principal	-	133,538	133,538
Interest	-	39,184	39,184
Total debt service	-	172,722	172,722
Total expenditures	17,817,283	1,089,422	18,906,705
Net change in fund balances	715,316	52,616	767,932
Fund balances - Beginning of year, as restated	5,560,797	717,554	6,278,351
Fund balances - End of year	\$ 6,276,113	\$ 770,170	\$ 7,046,283

See accompanying notes to financial statements.

River Valley School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances - Governmental funds (from previous page) \$ 767,932

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

The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlays reported in governmental fund statements	\$ 1,232,049
Depreciation expense reported in the statement of activities	(833,675)

Amount by which capital outlays are more than depreciation in the current year 398,374

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts (131,622)

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

Decrease in supplemental pension obligations	27,000
--	--------

Amounts paid are greater than amounts earned 27,000

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year	133,538
---	---------

Change in net position - Governmental activities \$ 1,195,222

See accompanying notes to financial statements.

River Valley School District
Statement of Fiduciary Net Position
June 30, 2020

	(Scholarship Trust) Private-Purpose Trust
Assets:	
Cash and cash equivalents	\$ 25,508
<hr/>	
Net position - Restricted for scholarships	\$ 25,508
<hr/>	

See accompanying notes to financial statements.

River Valley School District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

		(Scholarship Trust) Private-Purpose Trust
<hr/>		
Additions:		
Private donations	\$	13,400
<hr/>		
Total additions		13,400
<hr/>		
Deductions:		
Scholarships awarded		13,375
<hr/>		
Total deductions		13,375
<hr/>		
Change in net position		25
Net position - Beginning of year		25,483
<hr/>		
Net position - End of year	\$	25,508
<hr/> <hr/>		

See accompanying notes to financial statements.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The River Valley School District is organized as a common school district. The District, governed by a nine-member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or part of 17 taxing districts.

This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

New Accounting Pronouncement

GASB Statement No. 84, Fiduciary Activities establishes standards of accounting and financial reporting for fiduciary activities. It was determined that the District's Student Activity funds did not meet the criteria to be reported as a fiduciary activity. Therefore, the District reclassified Student Activity funds totaling \$140,674 previously reported in an Agency fund and increased the beginning assets and fund balance in the District's donation/student activity fund and the beginning assets and net position in governmental activities by the above amount as a result of implementing GASB Statement No. 84.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level.

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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 for 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.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

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 other governmental funds.

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities as well as programs provided to the community as a whole.

The District accounts for assets held as an agent for various student organizations in an agency fund and assets held for scholarship purposes in a private purpose trust fund.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

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 they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital 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.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool.

The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust and Agency Funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, 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 obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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

All investments are stated at fair market value, except for the investment in the Local Government Investment Pool, and the annuity contracts, which are reported on the amortized cost basis.

Receivables and Payables

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 70 years for land improvements and buildings and 5 to 20 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement Systems (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB) 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 the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, OPEB Expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions/OPEB for its proportionate shares of collective deferred outflows of resources related to pensions/OPEB and District contributions to pension/OPEB plans subsequent to the measurement date of the collective net pension/OPEB asset/liability.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pensions/OPEB for its proportionate share of collective deferred inflows related to pensions/OPEB.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education - the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

River Valley School District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

Property Tax Levy

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. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. All property taxes are considered due on January 1 when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

River Valley School District

Notes to Financial Statements

Note 2: Stewardship and Accountability

Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

Note 3: Cash and Investments

The District's cash and investment balances at June 30, 2020 were as follows:

Deposits with financial institutions	\$ 2,103,792
Investments:	
Local Government Investment Pool Fund	2,989,555
<hr/>	
Total	\$ 5,093,347
<hr/>	

The District's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments	\$ 5,067,839
Fiduciary fund statement of net position	
Cash and investments	25,508
<hr/>	
Total	\$ 5,093,347
<hr/>	

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2020, the District's bank balance of \$2,590,922 was not exposed to custodial credit risk.

Investments

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

River Valley School District

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool (LGIP). The District has no investment policy that would further limit its investment choices.

The District is a participant in the Local Government Investment Pool (LGIP), which is authorized in Wisconsin statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

Note 4: Capital Assets

Capital asset balances and activity for the year ended June 30, 2020, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 138,643	\$ -	\$ -	\$ 138,643
Construction in process	-	113,587	-	113,587
Total capital assets not being depreciated	138,643	113,587	-	252,230
Capital assets being depreciated:				
Land improvements	944,278	-	-	944,278
Buildings and improvements	18,907,075	1,086,308	-	19,993,383
Equipment	2,268,043	32,154	-	2,300,197
Total capital assets being depreciated	22,119,396	1,118,462	-	23,237,858
Less accumulated depreciation for:				
Land improvements	713,389	24,960	-	738,349
Buildings and improvements	9,221,465	691,598	-	9,913,063
Equipment	1,734,117	117,117	-	1,851,234
Total accumulated depreciation	11,668,971	833,675	-	12,502,646
Total capital assets, being depreciated - Net of accumulated depreciation	10,450,425	284,787	-	10,735,212
Governmental activities capital assets - Net	\$ 10,589,068	\$ 398,374	\$ -	\$ 10,987,442

River Valley School District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction		
Regular	\$	16,606
Other instruction		46,936
Support Services		
Business services		413,206
Depreciation not charged to a specific function		356,927
Total depreciation for governmental activities		\$ 833,675

Note 5: Long-Term Obligations

The District's long-term obligations activity for the year ended June 30, 2020, was as follows:

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20	Amounts Due Within One Year
State trust fund loan - direct borrowing	\$ 1,155,725	\$ -	\$ 133,538	\$ 1,022,187	\$ 138,140
Net Pension liability	1,936,354	-	1,936,354	-	-
Supplemental pension benefits	27,000	-	27,000	-	-
Net OPEB liability	231,714	154,833	-	386,547	-
Totals	\$ 3,350,793	\$ 154,833	\$ 2,096,892	\$ 1,408,734	\$ 138,140

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2020, is comprised of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance
Direct Borrowing					
State trust fund loan	05/26/16	3/15/2027	3.5%	\$ 1,507,079	\$ 784,021
State trust fund loan	5/26/2016	3/15/2026	3.0%	377,000	238,166
Total general obligation debt				\$ 1,884,079	\$ 1,022,187

River Valley School District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

Legal Debt Limit

The 2019 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$969,758,112. The legal debt limit and margin of indebtedness as of June 30, 2020, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Equalized Valuation	\$ 969,785,112
Debt limit 10%	96,978,511
General Obligation indebtedness	(1,022,187)
Less: Amounts available for financing general obligation debt:	
Debt service fund	16
Legal debt margin	\$ 95,956,340

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2020, are as follows:

Governmental Activities				
Year Ended June 30:	Principal	Interest	Totals	
2021	\$ 138,140	\$ 34,582	\$	172,722
2022	142,791	29,931		172,722
2023	147,599	25,123		172,722
2024	152,515	20,207		172,722
2025	157,707	15,015		172,722
2026-2027	283,435	13,913		297,348
Totals	\$ 1,022,187	\$ 138,771	\$	1,160,958

Note 6: Net Position

Net position reported on the government wide statement of net position at June 30, 2020:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	\$ 252,230
Other capital assets, net of accumulated depreciation	10,735,212
Less: related long-term debt outstanding	(1,022,187)
Total net investment in capital assets	9,965,255

River Valley School District

Notes to Financial Statements

Note 6: Net Position (Continued)

Restricted:	
Net pension asset	\$ 1,683,301
Debt service	16
Capital projects	425,105
Donation & student activities	277,242
Food service	67,807
<hr/>	
Total restricted	2,453,471
<hr/>	
Unrestricted	4,610,208
<hr/>	
Governmental activities capital assets, net	\$ 17,028,934
<hr/> <hr/>	

Note 7: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2020:

Restricted Fund Balance

Debt service	\$ 16
Capital projects	425,105
Donation & student activities	277,242
Food service	67,807
<hr/>	
Total restricted fund balance	\$ 770,170
<hr/> <hr/>	

Unassigned Fund Balance

General Fund	\$ 6,276,113
<hr/>	
Total unassigned fund balance	\$ 6,276,113
<hr/> <hr/>	

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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 Comprehensive Annual Financial Report (CAFR), which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

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 12/31/2016) are entitled to receive a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0 %
2011	(1.2)%	11.0 %
2012	(7.0)%	(7.0)%
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	0.0 %	(10.0)%

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 executive 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 \$527,113 in contributions from the employer.

Contribution rates as of June 30, 2020, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

At June 30, 2020, the District reported an asset of \$1,683,301 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. 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, 2019, the District's proportion was 0.05220418%, which was an decrease of 0.00222318% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$644,897.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,195,290	\$ 1,599,028
Net differences between projected and actual earnings on pension plan investments	-	3,441,266
Change in assumptions	131,173	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,047	12,515
Employer contributions subsequent to the measurement date	344,425	-
Total	\$ 3,685,935	\$ 5,052,809

\$344,425 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (502,564)
2022	(378,923)
2023	57,643
2024	(887,455)

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2018
Measurement date of net pension liability (asset)	December 31, 2019
Actuarial cost method	Entry age
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement adjustments*	1.9%

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2019, is based on a rollforward of the liability calculated from the December 31, 2018, actuarial valuation.

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

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2019

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	49.0%	8.0%	5.1%
Fixed income	24.5%	4.9%	2.1%
Inflation sensitive assets	15.5%	4.0%	1.2%
Real estate	9.0%	6.3%	3.5%
Private equity/debt	8.0%	10.6%	7.6%
Multi-asset	4.0%	7.5%	4.6%
Total core fund	110.0%	7.5%	4.6%
Variable fund:			
U.S. equities	70.0%	7.5%	4.6%
International equities	30.0%	8.2%	5.3%
Total variable fund	100.0%	7.8%	4.9%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%

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

Single Discount Rate: A single discount rate of 7.00% 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 7.00% and a municipal bond rate of 2.75% (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, 2019. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

River Valley School District

Notes to Financial Statements

Note 8: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 4,334,801	\$ (1,683,301)	\$ (6,182,524)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

At June 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a cost-sharing multiple-employer 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 employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

River Valley School District

Notes to Financial Statements

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees 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, 2020, are as follows:

Coverage Type	Employer Contribution
50% postretirement coverage	40% of employee contribution

Employee 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 employee contribution rates in effect for the year ended December 31, 2019, are as follows:

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 \$1,641 in contributions from the employer.

River Valley School District

Notes to Financial Statements

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

At June 30, 2020, the District reported a liability of \$386,547 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019, rolled forward to December 31, 2019. 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, 2019, the District's proportion was 0.09077700%, which was an increase of 0.00097700% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$40,257.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 17,317
Net differences between projected and actual earnings on pension plan investments	7,291	-
Change in assumptions	142,598	42,517
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,486	5,025
Total	\$ 152,375	\$ 64,859

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ 14,721
2022	14,721
2023	13,935
2024	13,125
2025	11,120
Thereafter	19,894

River Valley School District

Notes to Financial Statements

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2019
Measurement date of net OPEB liability (asset)	December 31, 2019
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	2.74%
Long-term expected rate of return	4.25%
Discount rate	2.87%
Salary Increases:	
Inflation	3.00
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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 carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). 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.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Government bonds	Barclays Credit	45%	2.12%
U.S. Long credit bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-term expected rate of return			4.25%

River Valley School District

Notes to Financial Statements

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single Discount Rate: A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. 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.

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 calculated using the discount rate of 2.87%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.87%) or 1 percentage point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
District's proportionate share of the net OPEB liability	\$ 533,755	\$ 386,547	\$ 274,549

Note 10: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2020.

River Valley School District

Notes to Financial Statements

Note 11: Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the District has not suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the District cannot be reasonably estimated at this time.

Required Supplementary Information

River Valley School District
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Variance With Final Budget Positive (Negative)
	Original and Final	Actual	
Revenues:			
Property taxes	\$ 9,425,432	\$ 9,424,738	\$ (694)
Other local sources	158,450	166,749	8,299
Interdistrict sources	501,000	496,811	(4,189)
Intermediate sources	19,709	19,650	(59)
State sources	6,754,931	7,039,111	284,180
Federal sources	220,567	240,738	20,171
Other sources	55,000	36,480	(18,520)
Total revenues	17,135,089	17,424,277	289,188
Expenditures:			
Instruction:			
Regular instruction	6,317,665	6,462,882	(145,217)
Vocational instruction	647,599	641,860	5,739
Other instruction	1,304,697	1,203,771	100,926
Total instruction	8,269,961	8,308,513	(38,552)
Support services:			
Pupil services	496,218	499,360	(3,142)
Instructional staff services	924,888	1,085,928	(161,040)
General administration services	400,642	388,416	12,226
Building administration services	724,227	718,456	5,771
Business services	3,871,435	3,514,998	356,437
Insurance	180,500	126,851	53,649
Other support services	35,000	30,716	4,284
Total support services	6,632,910	6,364,725	268,185
Total expenditures	14,902,871	14,673,238	229,633
Excess of revenues over expenditures	2,232,218	2,751,039	518,821
Other financing sources (uses):			
Transfers out	(2,079,187)	(2,035,723)	(43,464)
Net change in fund balance	153,031	715,316	475,357
Fund balance - Beginning of year	5,560,797	5,560,797	-
Fund balance - End of year	\$ 5,713,828	\$ 6,276,113	\$ 562,285

See accompanying notes to the required supplementary information.

River Valley School District

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI). The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function 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 a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of 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 an assigned fund balance.

River Valley School District

Notes to the Budgetary Comparison Schedule - General Fund (Continued)

Note 2: Budgetary Comparisons

GAAP requires a budgetary comparison for the General Fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The "actual on a budgetary basis" excludes the revenues, expenditures, and other financing sources/(uses) of the special education fund, which is treated as a special revenue fund for budgetary purposes. The following schedule reconciles the "budgetary basis" revenues and expenditures of the *budgetary comparison schedule - general fund* to the *governmental funds - statement of revenues, expenditures, and changes in fund balances*:

	General Fund		General Fund
	Actual on	Special	Actual on
	Budgetary	Education	GAAP Basis
	Basis	Fund	
Revenues	\$ 17,424,277	\$ 1,108,322	\$ 18,532,599
Expenditures	(14,673,238)	(3,144,045)	(17,817,283)
Other financing sources (uses)	(2,035,723)	2,035,723	-
Net change in fund balance	\$ 715,316	\$ -	\$ 715,316

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	Budget	Actual	Actual Over
			Budget
Regular curriculum	\$ 6,317,665	\$ 6,462,882	\$ (145,217)
Pupil services	496,218	499,360	3,142
Instructional staff services	924,888	1,085,928	161,040

River Valley School District

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.05220418 %	\$ (1,683,301)	\$ 8,047,520	(20.92)%	102.96 %
2018	0.05442736	1,936,354	7,995,703	24.22	96.45
2017	0.05657023	(1,679,637)	8,081,003	(20.79)	102.93
2016	0.05844663	481,740	8,247,125	5.84	99.12
2015	0.05981278	971,946	8,289,419	11.73	98.20
2014	0.06066889	(1,489,874)	8,384,543	(17.77)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2020	\$ 539,096	\$ 539,096	\$ -	\$ 8,074,657	6.68 %
2019	529,245	529,245	-	8,012,810	6.60
2018	537,242	537,242	-	7,975,008	6.74
2017	548,062	548,062	-	8,147,466	6.73
2016	553,918	553,918	-	8,300,975	6.67
2015	574,324	574,324	-	8,354,678	6.87

Notes to the Schedules:

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

Changes of assumptions: No significant change in assumptions were noted from the prior year.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

River Valley School District

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2019	0.09077700 %	\$ 386,547	\$ 4,595,000	8.41 %	37.58 %
2018	0.08980000	231,714	4,637,000	5.00	48.69
2017	0.09020000	271,374	3,793,168	7.15	44.81

Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2020	\$ 1,641	\$ 1,641	\$ -	\$ 4,041,872	0.0406 %
2019	1,730	1,730	-	4,259,401	0.0406
2018	1,712	1,712	-	4,215,084	0.0406

Notes to the Schedules:

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

Changes of assumptions: Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the notes to the financial statements for additional details.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Supplementary Financial Information

River Valley School District
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2020

	Donation/ Student Activity Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:						
Cash and investments	\$ 277,242	\$ 16	\$ 425,105	\$ 14,910	\$ -	\$ 717,273
Due from other governments	-	-	-	58,350	-	58,350
Total assets	\$ 277,242	\$ 16	\$ 425,105	\$ 73,260	\$ -	\$ 775,623
Liabilities:						
Accrued liabilities	\$ -	\$ -	\$ -	\$ 5,453	\$ -	\$ 5,453
Total liabilities	-	-	-	5,453	-	5,453
Fund balances:						
Restricted	277,242	16	425,105	67,807	-	770,170
Total fund balances	\$ 277,242	16	425,105	67,807	-	770,170
Total liabilities and fund balance	\$ 277,242	\$ 16	\$ 425,105	\$ 73,260	\$ -	\$ 775,623

See Independent Auditor's Report

River Valley School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2020

	Donation/ Student Activity Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:						
Property taxes	\$ -	\$ 172,722	\$ -	\$ -	\$ 80,000	\$ 252,722
Other local sources	285,332	-	6,631	221,268	16,045	529,276
State sources	-	-	-	10,928	-	10,928
Federal sources	-	-	-	348,399	-	348,399
Other sources	143	-	-	570	-	713
Total revenues	285,475	172,722	6,631	581,165	96,045	1,142,038
Expenditures:						
Instruction:						
Regular instruction	3,046	-	-	-	-	3,046
Vocational instruction	300	-	-	-	-	300
Total instruction	3,346	-	-	-	-	3,346
Support services:						
Pupil services	263,864	-	-	-	-	263,864
Building administration services	1,113	-	-	-	-	1,113
Business services	-	-	38,974	513,358	-	552,332
Community services	-	-	-	-	96,045	96,045
Total support services	264,977	-	38,974	513,358	96,045	913,354
Debt service:						
Principal	-	133,538	-	-	-	133,538
Interest	-	39,184	-	-	-	39,184
Total debt service	-	172,722	-	-	-	172,722
Total expenditures	268,323	172,722	38,974	513,358	96,045	1,089,422
Net change in fund balances	17,152	-	(32,343)	67,807	-	52,616
Fund balances - Beginning of year,						
as restated	260,090	16	457,448	-	-	717,554
Fund balances - End of year	\$ 277,242	\$ 16	\$ 425,105	\$ 67,807	\$ -	\$ 770,170

See Independent Auditor's Report

Other Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards

Board of Education
River Valley School District
Spring Green, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States 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 the River Valley School District (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2020.

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 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 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 in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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*.

Responses to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

October 28, 2020
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

Board of Education
River Valley School District
Spring Green, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the River Valley School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

October 28, 2020
Madison, Wisconsin

River Valley School District

Schedule of Federal Awards Year Ended June 30, 2020

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2019	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2020
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553	2020-565523-SB-SEVERE-546	\$ 1,042	\$ 30,449	\$ 29,407	\$ -
COVID 19 - School Breakfast Program	10.553	2020-565523-SB-SEVERE-546	-	43,480	66,021	22,541
Total CFDA 10.553			<u>1,042</u>	<u>73,929</u>	<u>95,428</u>	<u>22,541</u>
National School Lunch Program	10.555	2020-565523-DPI-NSL-547	3,247	118,556	115,309	-
COVID 19 - National School Lunch Program	10.555	2020-565523-DPI-NSL-547	-	74,234	110,044	35,810
Donated Food Commodities	10.555	N/A	-	27,618	27,618	-
Total CFDA 10.555			<u>3,247</u>	<u>220,408</u>	<u>252,971</u>	<u>35,810</u>
Total Child Nutrition Cluster			<u>4,289</u>	<u>294,337</u>	<u>348,399</u>	<u>58,351</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2020-565523-TIA-141	73,481	244,679	190,202	19,004
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2020-565523-IDEA-FT-341	109,289	405,645	318,412	22,056
Preschool Entitlement	84.173	2020-565523-IDEA-P-347	8,022	18,543	14,117	3,596
Total Special Education Cluster			<u>117,311</u>	<u>424,188</u>	<u>332,529</u>	<u>25,652</u>
ESEA Title II-A Teacher/Principal	84.367	2020-565523-TIIA-365	31,912	70,889	39,226	249
Title IV-A-Student Support and Acad Enrich Grants	84.424	2020-565523-TIVA-DPI-381	2,721	12,008	11,310	2,023
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2020-749903-CTE-400	-	9,650	9,650	-
Total U.S. Department of Education			<u>225,425</u>	<u>761,414</u>	<u>582,917</u>	<u>46,928</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medical Assistance Program Cluster	93.778	N/A	-	117,526	117,526	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 229,714</u></u>	<u><u>\$ 1,173,277</u></u>	<u><u>\$ 1,048,842</u></u>	<u><u>\$ 105,279</u></u>

See Independent Auditor's Report.

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

River Valley School District

Schedule of State Financial Assistance Year Ended June 30, 2020

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2019	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2020
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents:						
Internal District Program	255.101	565523-100	\$ -	\$ 628,320	\$ 628,320	\$ -
Passed through CESA #3	255.101	749903-100	-	11,051	11,051	-
Passed through CESA #5	255.101	749905-100	-	1,830	1,830	-
Total Special Education and School Age Parents			-	641,201	641,201	-
State Lunch	255.102	565523-107	-	4,867	4,867	-
Common School Fund	255.103	565523-104	-	65,176	65,176	-
Transportation Aid	255.107	565523-102	-	92,245	92,245	-
Wisconsin School Day Milk Program	255.115	565523-109	-	3,645	3,645	-
General Equalization	255.201	565523-116	85,853	5,240,808	5,240,790	85,835
Supplemental Per Pupil Aid	255.245	565523-181	-	4,203	4,203	-
Alcohol and Other Drug Abuse	255.321	565523-142	-	956	956	-
State Breakfast Program	255.344	565523-108	-	2,416	2,416	-
Achievement Gap Reduction	255.504	565523-160	-	245,968	245,968	-
Educator Effective Eval Sys Grants Public	255.940	565523-154	-	6,000	6,000	-
Per Pupil Aid	255.945	565523-113	-	928,984	928,984	-
Special Education Transition Incentive Grants	255.960	565523-168	-	5,000	5,000	-
High Cost Transportation Aid	255.947	565523-114	-	179,917	179,917	-
Career and Technical Education Incentive Grants	255.950	565523-171	-	8,370	8,370	-
Assessments of Reading Readiness	255.956	565523-166	-	1,958	1,958	-
Total Wisconsin Department of Public Instruction			85,853	7,431,714	7,431,696	85,835
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Payments in Lieu of Taxes	370.503	N/A	-	63,180	63,180	-
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	455.206	N/A	47,186	104,048	56,862	-
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
Computer Aid	835.109	N/A	22,083	112,147	112,147	22,083
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 155,122	\$ 7,711,089	\$ 7,663,885	\$ 107,918

See Independent Auditor's Report.

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

River Valley School District

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: De Minimis Cost Rate

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Special Education and School Age Parents Program

2019-2020 eligible costs under the State Special Education Program are \$2,710,878.

Note 4: Subrecipients

The District does not have subrecipients or subrecipient expenditures.

River Valley School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

CFDA Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

River Valley School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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

Any audit findings disclosed that are required to be reported in accordance with the *State of Wisconsin Single Audit Guidelines*? No

Identification of major state programs:

CFDA Number	Name of State Program
255.201	General Equalization
255.945	Per Pupil Aid

River Valley School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section II - Financial Statement Findings

2020-001: Financial Accounting and Reporting

Criteria - The District is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition - As part of our professional services for the year ended June 30, 2019, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause - The District does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect - As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the District as its own management.

Recommendation - We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response - The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor's services and review and approve the financial statements and notes.

Section III - Federal and State Findings and Questioned Costs

None.

River Valley School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section IV - Other Issues

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

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Public Instruction	No
Department of Justice	No
Department of Natural Resources	No
Department of Health Services	No
Department of Revenue	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes



Name of Partner

Dan Walker

Date

October 28, 2020

River Valley School District

Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2020

Financial Statement Findings

2019-001: Financial Accounting and Reporting - See finding 2020-001.