

**RIVER VALLEY
SCHOOL DISTRICT
Spring Green, Wisconsin**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

JUNE 30, 2024

RIVER VALLEY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
River Valley School District
Spring Green, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River Valley School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining general fund financial statements, combining nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining general fund financial statements, combining nonmajor fund financial statements, schedule of expenditures of federal awards, and the schedule of 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 December 5, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 5, 2024

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin
BASIC FINANCIAL STATEMENTS

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin

DISTRICT-WIDE FINANCIAL STATEMENTS

RIVER VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2024

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and investments	\$ 8,956,621
Receivables	
Taxes	3,277,235
Due from other governments	473,679
Prepays	193,079
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	138,083
Capital assets being depreciated	<u>11,643,031</u>
TOTAL ASSETS	<u>24,681,728</u>
DEFERRED OUTFLOWS OF RESOURCES	
Local Retiree Life Insurance Fund - OPEB	195,835
Wisconsin Retirement System pension	<u>6,139,181</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,335,016</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 31,016,744</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 116,239
Accrued liabilities	
Payroll, payroll taxes, insurance	1,737,800
Deposits payable	8,068
Unearned revenue	11,233
Current portion of long-term obligations	157,702
Noncurrent portion of long-term obligations	<u>1,441,929</u>
TOTAL LIABILITIES	<u>3,472,971</u>
DEFERRED INFLOWS OF RESOURCES	
Local Retiree Life Insurance Fund - OPEB	244,317
Wisconsin Retirement System pension	<u>3,834,640</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,078,957</u>
NET POSITION	
Net investment in capital assets	11,182,251
Restricted for	
Special revenue	506,409
Debt service	16
Capital projects	627,357
Unrestricted	<u>11,148,783</u>
TOTAL NET POSITION	<u>23,464,816</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 31,016,744</u>

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 6,119,193	\$ 22,640	\$ 326,263	\$ (5,770,290)
Vocational instruction	745,357	31,291	-	(714,066)
Special instruction	2,898,734	11,717	1,447,712	(1,439,305)
Other instruction	1,524,562	360,428	172,799	(991,335)
Total Instruction	11,287,846	426,076	1,946,774	(8,914,996)
Support services				
Pupil services	874,611	26,794	-	(847,817)
Instructional staff services	1,329,098	147,121	103,173	(1,078,804)
General administration services	513,817	-	-	(513,817)
Building administration services	794,071	1,247	-	(792,824)
Business services	162,039	-	-	(162,039)
Operations and maintenance	2,859,415	191,640	-	(2,667,775)
Pupil transportation	1,246,720	-	497,285	(749,435)
Food service program	629,486	249,173	381,030	717
Insurance	176,077	-	-	(176,077)
Interest and other	20,222	-	-	(20,222)
Other support services	105,636	-	-	(105,636)
Community services	96,453	16,783	-	(79,670)
Depreciation - unallocated*	346,952	-	-	(346,952)
Total Support Services	9,154,597	632,758	981,488	(7,540,351)
Non-program transactions	1,644,453	11,300	3,600	(1,629,553)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 22,086,896	\$ 1,070,134	\$ 2,931,862	(18,084,900)
GENERAL REVENUE				
Taxes				
Property taxes				
State and federal aids not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
TOTAL GENERAL REVENUE				
CHANGE IN NET POSITION				
NET POSITION - BEGINNING OF YEAR				
NET POSITION - END OF YEAR				

* This amount excludes depreciation included in the direct expenses of various functions. See Note 3.

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin
FUND FINANCIAL STATEMENTS

RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	\$ 7,783,684	\$ 1,172,937	\$ 8,956,621
Receivables			
Accounts	-	-	-
Taxes	3,277,235	-	3,277,235
Due from other funds	8,451	-	8,451
Due from other governments	473,679	-	473,679
Prepays	176,708	16,371	193,079
TOTAL ASSETS	\$ 11,719,757	\$ 1,189,308	\$ 12,909,065
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 111,221	\$ 5,018	\$ 116,239
Accrued payroll liabilities	1,714,647	23,153	1,737,800
Due to other funds	-	8,451	8,451
Deposits payable	8,068	-	8,068
Unearned revenue	-	11,233	11,233
TOTAL LIABILITIES	1,833,936	47,855	1,881,791
FUND BALANCES			
Nonspendable	176,708	16,371	193,079
Restricted	-	1,133,782	1,133,782
Unassigned	9,709,113	(8,700)	9,700,413
TOTAL FUND BALANCES	9,885,821	1,141,453	11,027,274
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,719,757	\$ 1,189,308	
Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:			
Governmental capital asset		28,580,272	
Governmental accumulated depreciation		(16,799,158)	11,781,114
Deferred inflows and outflows of resources are not current financial resources and are not reported in fund statements.			
			2,256,059
Long-term liabilities 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:			
Long-term debt		\$ (441,161)	
Net Pension liability - WRS		(717,244)	
Local Retiree Life Insurance Fund - OPEB		(441,226)	(1,599,631)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES			\$ 23,464,816

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	GENERAL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE			
Property taxes	\$10,608,387	\$ 252,722	\$ 10,861,109
Other local sources	634,421	658,930	1,293,351
Interdistrict sources	604,662	-	604,662
Intermediate sources	14,693	-	14,693
State sources	8,522,078	11,944	8,534,022
Federal sources	915,985	367,810	1,283,795
Other sources	178,270	18,680	196,950
TOTAL REVENUE	21,478,496	1,310,086	22,788,582
EXPENDITURES			
Current			
Instruction			
Regular instruction	6,163,245	4,640	6,167,885
Vocational instruction	747,694	2,245	749,939
Special instruction	2,927,269	-	2,927,269
Other instruction	1,226,033	267,577	1,493,610
Total Instruction	11,064,241	274,462	11,338,703
Support Services			
Pupil services	848,430	27,301	875,731
Instructional staff services	1,320,530	-	1,320,530
General administration services	512,654	-	512,654
Building administration services	799,390	1,386	800,776
Business services	162,039	681,634	843,673
Operations and maintenance	1,981,872	-	1,981,872
Pupil transportation	1,240,289	-	1,240,289
Insurance	176,077	-	176,077
Other support services	105,636	-	105,636
Community services	-	96,783	96,783
Total Support Services	7,146,917	807,104	7,954,021
Non-Program Transactions	1,624,078	20,375	1,644,453
Debt Service			
Principal	-	152,500	152,500
Interest	-	20,222	20,222
Total Debt Service	-	172,722	172,722
Capital Outlay	868,723	18,530	887,253
TOTAL EXPENDITURES	20,703,959	1,293,193	21,997,152

(Continued on page 10)

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - Continued
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	<u>GENERAL FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	\$ 774,537	\$ 16,893	\$ 791,430
FUND BALANCE - BEGINNING OF YEAR	<u>9,111,284</u>	<u>1,124,560</u>	<u>10,235,844</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,885,821</u>	<u>\$ 1,141,453</u>	<u>\$ 11,027,274</u>

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds		\$ 791,430
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in fund statements	\$ 887,253	
Depreciation expense reported in the statement of activities	<u>(1,258,078)</u>	
Amount by which capital outlays are less than depreciation in the current period:		(370,825)
Changes in Local Retiree Life Insurance Fund liability, deferred inflows of resources, and deferred outflows of resources changes:		162,746
Wisconsin Retirement System (asset)/liability, deferred inflows of resources , and deferred outflows of resources changes:		(34,165)
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.		
Amount of long-term debt principal payments in the current year is:		<u>152,500</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 701,686</u>

The accompanying notes are an integral part of these statements.

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin

NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The District is organized as a unified school district. The District, governed by a nine member elected school board, operates grades 4K through 12 and is comprised of all or parts of eleven taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District 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 impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the District's financial statements from being misleading.

Basis of Presentation

District-Wide Statements

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 revenue, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue 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 revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The fund statements provide information about the District's funds. 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 non-major funds.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

The District reports the following major governmental fund:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund. Special education activities are also accounted for in this fund.

Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures 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 revenue. 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 revenue.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

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

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third 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. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2023 tax levy is used to finance operations of the District's fiscal year ended June 30, 2024. All property taxes are considered due on January 1, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Accounts Receivable - Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material.

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Prepaid Items - Prepaid items represent payments made by the District for which benefits extend beyond June 30. A non-spendable fund balance has been recognized for these prepaid items to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$5,000	Straight-line	10-70 years
Land improvements	\$5,000	Straight-line	10-70 years
Furniture and equipment	\$5,000	Straight-line	5-20 years

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

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

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

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

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

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

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. They are the Wisconsin Retirement System Pension and Local Retiree Life Insurance Fund reported in the government-wide statement of net position. The Wisconsin Retirement System Pension and Local Retiree Life Insurance Fund results from changes in an actuarial study and is amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting in this category, which are Wisconsin Retirement System Pension and Local Retiree Life Insurance Fund. The Wisconsin Retirement System Pension and Local Retiree Life Insurance Fund results from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

Fund Balance Classifications - The District classifies its fund equity as follows: 1) non-spendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the Director of Business Services to assign fund balances through its financial management policy, and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against the restricted fund balance, then committed fund balance, then assigned fund balance and lastly to the unassigned fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

State and Federal Aids - State general and categorical aids are recognized as revenue in the entitlement year. Federal aids and certain state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as unearned revenue.

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

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool fund administered by the state investment board. Available balances in the Debt Service fund may be invested in municipal obligations, obligations of the United States and the local government-pooled investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2024, the District had the following investments:

<u>INVESTMENT</u>	<u>WEIGHTED AVERAGE MATURITIES</u>	<u>FAIR VALUE</u>
State of Wisconsin Investment Pool	Less than one year	\$ 8,835,258
Certificate of Deposits	Less than one year	4,530
		<u>\$ 8,839,788</u>

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 2 - Cash and Investments - Continued

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurement:

- 1) State of Wisconsin Investment Pool values are determined based on published market quotations (level 1 inputs).

Income Allocation - Interest income is generally allocated to the fund that owns the checking account, certificate of deposit, money market account, and savings account.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The District does not have a formal investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the District's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2024, none of the District's bank balance of \$1,059,162 was exposed to custodial credit risk.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2024, are as follows:

	BALANCE 07/01/23	ADDITIONS	DELETIONS	BALANCE 06/30/24
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 138,083	\$ -	\$ -	\$ 138,083
Capital assets being depreciated:				
Buildings and improvements	21,731,907	137,300	-	21,869,207
Land improvements	2,970,745	469,874	-	3,440,619
Machinery and equipment	2,852,284	280,079	-	3,132,363
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>27,554,936</u>	<u>887,253</u>	<u>-</u>	<u>28,442,189</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,205,331)	(832,588)	-	(13,037,919)
Land improvements	(1,107,898)	(251,080)	-	(1,358,978)
Machinery and equipment	(2,227,851)	(174,410)	-	(2,402,261)
TOTAL ACCUMULATED DEPRECIATION	<u>(15,541,080)</u>	<u>(1,258,078)</u>	<u>-</u>	<u>(16,799,158)</u>

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 3 - Capital Assets - Continued

Capital asset balances and activity for the year ended June 30, 2024, are as follows:

	BALANCE 07/01/23	ADDITIONS	DELETIONS	BALANCE 06/30/24
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION	\$12,013,856	\$ (370,825)	\$ -	\$11,643,031
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	\$12,151,939	\$ (370,825)	\$ -	\$11,781,114

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 1,676
Other instruction	43,207
Instructional staff services	23,292
Food services	4,438
General administration	832,082
Pupil transportation	6,431
Unallocated	346,952
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	\$ 1,258,078

NOTE 4 - Long-Term Obligations

Long-term obligations of the District are as follows:

Summary of Long-Term Obligations

	BALANCE 7/1/23	ADDITIONS	REDUCTIONS	BALANCE 6/30/24	AMOUNT DUE WITHIN ONE YEAR
State trust fund loans	\$ 593,661	\$ -	\$ (152,500)	\$ 441,161	\$ 157,702
WRS Net pension liability	2,584,999	-	(1,867,755)	717,244	-
WRS LRLIF	353,613	87,613	-	441,226	-
	\$ 3,532,273	\$ 87,613	\$ (2,020,255)	\$ 1,599,631	\$ 157,702

In prior years, the general fund liquidated vested employee benefits.

General Obligation Debt - All long-term debt is secured by the full faith and credit and unlimited taxing powers of the District. The long-term debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2024, is comprised of the following individual issue:

DESCRIPTION	ISSUE DATE	INTEREST RATE %	DATE OF MATURITY	BALANCE 6/30/24
State trust fund loan	05/26/2016	3.5%	03/15/2027	\$ 357,004
State trust fund loan	05/26/2016	3.0%	03/15/2026	84,157
				\$ 441,161

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 4 - Long-Term Obligations - Continued

General Obligation Debt Limited Calculation - The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,405,982,815. The legal debt limit and margin of indebtedness as of June 30, 2024, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes, follows:

Debt limit (10 percent of \$1,405,982,815)	\$ 140,598,282
Deduct long-term debt applicable to debt margin	(441,161)
Amount available in debt service fund	16
MARGIN OF INDEBTEDNESS	<u>\$ 140,157,137</u>

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term obligations at June 30, 2024, are as follows:

<u>Years</u>	<u>State Trust Fund Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 157,702	\$ 15,020
2026	163,045	9,707
2027	120,414	4,215
TOTAL	<u>\$ 441,161</u>	<u>\$ 28,942</u>

Interest Expense

For the fiscal year ending June 30, 2024, interest expense totaled \$20,222. Total interest paid during the year aggregated \$20,222.

NOTE 5 - 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

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

During the reporting period, the WRS recognized \$657,511 in contributions from the employer.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2024, the District reported a liability (asset) of \$717,244 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2023, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the Net Pension Liability (Asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.04824059 percent, which was an decrease of 0.00055412 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$495,457.

At June 30, 2024, 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	\$2,891,920	\$3,830,366
Net differences between projected and actual earnings on pension plan investments	2,499,479	-
Changes in assumptions	312,626	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,515	4,274
Employer contributions subsequent to the measurement date	419,641	-
Total	\$6,139,181	\$3,834,640

\$419,641 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension Liability (Asset) in the year ended June 30, 2025.

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

Year ended June 30:	Deferred Outflows/ (Inflows) of Resources
2025	\$387,685
2026	408,414
2027	1,570,391
2028	(481,590)

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

Actuarial Assumptions - The Total Pension Liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No Post-Retirement Adjustment is Guaranteed - Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

Asset Allocation Targets and Expected Returns (as of December 31, 2023)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.			

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Wisconsin Retirement System - Continued

Single Discount Rate - A single discount rate of 6.8 percent was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8 percent and a municipal bond rate of 3.77 percent (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, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities). Because of the unique structure of WRS, the 6.8 percent expected rate of return implies that a dividend of approximately 1.7 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
River Valley School District's proportionate share of the Net Pension Liability (Asset)	\$6,932,509	\$717,244	\$(3,631,840)

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

Payable to the Pension Plan

At June 30, 2024, the District reported a payable of \$281,661 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 6 - Local Retiree Life Insurance Fund - OPEB

General Information about the Other Post-Employment Benefits

Plan Description - The LRLIF is a 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 post-employment life insurance benefits for all eligible members.

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

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Local Retiree Life Insurance Fund - OPEB - Continued

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

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

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

Employers are required to pay the following contributions based on member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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

Life Insurance Member Contribution Rates* For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under 70 receive a waiver-of-premium benefit		

During the reporting period, the LRLIF recognized \$1,954 in contributions from the employer.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Local Retiree Life Insurance Fund - OPEB - Continued

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

At June 30, 2024, the District reported a liability (asset) of \$441,226 for its proportionate share of the Net OPEB Liability (Asset). The Net OPEB Liability (Asset) was measured as of December 31, 2023, and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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 (Asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.09590500 percent, which was an increase of 0.003089 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$36,118.

At June 30, 2024, 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	\$ -	\$ 39,050
Net differences between projected and actual earnings on OPEB investments	5,960	-
Changes in assumptions	138,019	173,745
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,856	31,522
Employer contributions subsequent to the measurement date	-	-
Total	\$195,835	\$244,317

\$-0- reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability (Asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year ended June 30:	Deferred Outflows/ (Inflows) of Resources
2025	\$ (850)
2026	5,886
2027	(12,103)
2028	(28,667)
2029	(19,759)
2030	7,011

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Local Retiree Life Insurance Fund - OPEB - Continued

Actuarial Assumptions - The Total OPEB Liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2020 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.32%
US Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Local Retiree Life Insurance Fund - OPEB - Continued

Single Discount Rate - A single discount rate of 3.32 percent was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76 percent for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.72 percent as of December 31, 2022 to 3.26 percent as of December 31, 2023. 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 (Asset) calculated using the discount rate of 3.32 percent, as well as what the District's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase To Discount Rate (4.32%)
River Valley School District's proportionate share of the Net OPEB Liability (asset)	\$592,848	\$441,226	\$325,489

NOTE 7 - Interfund Receivables and Payables

Individual interfund receivable and payable balances on June 30, 2024, are as follows:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General	Community Service	<u>\$ 8,451</u>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Fund Balance and Net Position

Fund Balance

Portions of fund balance and net position are not available for current appropriation or expenditure as follows:

<u>GOVERNMENTAL FUND</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>Non-spendable</u>		
Community Service	Prepaid items	\$ 8,700
General Fund	Prepaid items	176,708
Special Revenue Trust	Prepaid items	5,774
Food Service	Prepaid items	695
Capital Projects	Prepaid items	1,202
		<u>\$ 193,079</u>
<u>Restricted</u>		
Capital Projects	Restricted for future capital projects	\$ 627,357
Debt Service	Restricted for future debt payments	16
Food Service	Future food service expenditures	77,344
Special Revenue Trust	Specific expenditures	429,065
		<u>\$ 1,133,782</u>

Net Position

The governmental activities net position is restricted as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>Restricted</u>		
Capital Projects	Restricted for future capital projects	\$ 627,357
Debt Service	Restricted for future debt payments	16
Special Revenue	Specific expenditures	506,409
		<u>\$ 1,133,782</u>

NOTE 9 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue that school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

NOTE 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, destruction of assets; errors and omissions; employee health and accident claims; and natural disasters, for which the District carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. In addition, there have been no settlements in excess of coverage in any of the prior three fiscal years.

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin

REQUIRED SUPPLEMENTARY INFORMATION

RIVER VALLEY SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years*

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.04824059%	\$ 717,244	\$ 9,208,152	7.79%	98.85%
2022	0.04879471%	2,584,999	8,763,286	29.50%	95.72%
2021	0.04941504%	(3,982,943)	8,478,714	-46.98%	106.02%
2020	0.05034865%	(3,143,336)	8,166,307	-38.49%	105.26%
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 CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 657,511	\$ (657,511)	\$ -	\$ 9,579,836	6.86%
2023	601,508	(601,508)	-	8,990,445	6.69%
2022	572,638	(572,638)	-	8,686,609	6.59%
2021	562,864	(562,864)	-	8,338,729	6.75%
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	547,062	(547,062)	-	8,147,466	6.71%
2016	553,918	(553,918)	-	8,300,975	6.67%
2015	574,324	(574,324)	-	8,354,678	6.87%

*The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions:

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

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

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

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

RIVER VALLEY SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2017
Amortization Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS
Asset Valuation Method:	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted Based on Assumed Rate for;					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.9%	1.9%	1.9%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014
Retirement Age:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)

Mortality:

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

(Continued on page 31)

RIVER VALLEY SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

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

Mortality:

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

RIVER VALLEY SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years *

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	0.09590500%	\$ 441,226	\$ 5,465,000	8.07%	33.90%
2022	0.09281600%	353,613	5,258,000	6.73%	38.81%
2021	0.08463800%	500,242	4,853,000	10.31%	29.57%
2020	0.09847000%	541,656	4,621,000	11.72%	31.36%
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 CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,954	\$ (1,954)	\$ -	\$ 5,465,000	0.04%
2023	1,862	(1,862)	-	5,258,000	0.04%
2022	1,732	(1,732)	-	4,853,000	0.04%
2021	1,963	(1,963)	-	4,621,000	0.04%
2020	1,641	(1,641)	-	4,041,872	0.04%
2019	1,730	(1,730)	-	4,259,401	0.04%
2018	1,712	(1,712)	-	4,215,084	0.04%

* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Changes of benefit terms - there were no changes of benefit terms.

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

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

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

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

- Lowering the long-term expected rate of return from 5.0% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

RIVER VALLEY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSTIVIE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
REVENUE										
Property taxes	\$ 10,575,500	\$ -	\$ 10,575,500	\$ 10,575,500	\$ -	\$ 10,575,500	\$ 10,608,387	\$ -	\$ 10,608,387	\$ (32,887)
Other local sources	130,000	-	130,000	130,000	-	130,000	634,421	-	634,421	(504,421)
Interdistrict sources	550,184	-	550,184	550,184	-	550,184	604,662	-	604,662	(54,478)
Intermediate sources	9,000	12,000	21,000	9,000	12,000	21,000	6,745	7,948	14,693	6,307
State sources	7,059,715	910,042	7,969,757	7,059,715	910,042	7,969,757	7,576,662	945,416	8,522,078	(552,321)
Federal sources	672,225	467,096	1,139,321	672,225	467,096	1,139,321	409,920	506,065	915,985	223,336
Other sources	22,000	-	22,000	22,000	-	22,000	178,270	-	178,270	(156,270)
TOTAL REVENUE	19,018,624	1,389,138	20,407,762	19,018,624	1,389,138	20,407,762	20,019,067	1,459,429	21,478,496	(1,070,734)
EXPENDITURES										
Current										
Instruction										
Regular instruction	6,043,320	-	6,043,320	6,043,320	-	6,043,320	6,163,245	-	6,163,245	(119,925)
Vocational instruction	746,069	-	746,069	746,069	-	746,069	747,694	-	747,694	(1,625)
Special instruction	-	2,672,482	2,672,482	-	2,672,482	2,672,482	-	2,927,269	2,927,269	(254,787)
Other instruction	1,328,953	-	1,328,953	1,328,953	-	1,328,953	1,226,033	-	1,226,033	102,920
Total Instruction	8,118,342	2,672,482	10,790,824	8,118,342	2,672,482	10,790,824	8,136,972	2,927,269	11,064,241	(273,417)
Support Services										
Pupil services	575,535	413,490	989,025	575,535	413,490	989,025	547,597	300,833	848,430	140,595
Instructional staff services	1,298,053	178,757	1,476,810	1,298,053	178,757	1,476,810	1,141,661	178,869	1,320,530	156,280
General administration services	495,173	-	495,173	495,173	-	495,173	512,654	-	512,654	(17,481)
Building administration services	805,442	-	805,442	805,442	-	805,442	799,390	-	799,390	6,052
Business services	152,319	-	152,319	152,319	-	152,319	161,330	709	162,039	(9,720)
Operations and maintenance	1,890,107	-	1,890,107	1,890,107	-	1,890,107	1,981,872	-	1,981,872	(91,765)
Pupil transportation	1,115,777	255,000	1,370,777	1,115,777	255,000	1,370,777	949,797	290,492	1,240,289	130,488
Insurance	172,957	10,710	183,667	172,957	10,710	183,667	176,077	-	176,077	7,590
Other support services	35,666	-	35,666	35,666	-	35,666	105,636	-	105,636	(69,970)
Total Support Services	6,541,029	857,957	7,398,986	6,541,029	857,957	7,398,986	6,376,014	770,903	7,146,917	252,069
Non-Program Transactions	1,564,034	128,630	1,692,664	1,564,034	128,630	1,692,664	1,469,200	154,878	1,624,078	68,586
Capital Outlay	945,910	-	945,910	945,910	-	945,910	868,723	-	868,723	77,187
TOTAL EXPENDITURES	17,169,315	3,659,069	20,828,384	17,169,315	3,659,069	20,828,384	16,850,909	3,853,050	20,703,959	124,425

(Continued on page 34)

The accompanying notes are an integral part of this schedule.

RIVER VALLEY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND - Continued
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSTIVIE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	\$ 1,849,309	\$ (2,269,931)	\$ (420,622)	\$ 1,849,309	\$ (2,269,931)	\$ (420,622)	\$ 3,168,158	\$ (2,393,621)	\$ 774,537	\$ (1,195,159)
OTHER FINANCING SOURCES (USES)										
Net transfer from (to) other funds	(2,294,931)	2,269,931	(25,000)	(2,294,931)	2,269,931	(25,000)	(2,393,621)	2,393,621	-	(25,000)
NET CHANGE IN FUND BALANCES	(445,622)	-	(445,622)	(445,622)	-	(445,622)	774,537	-	774,537	(1,220,159)
FUND BALANCES - BEGINNING OF YEAR	9,111,284	-	9,111,284	9,111,284	-	9,111,284	9,111,284	-	9,111,284	-
FUND BALANCES - END OF YEAR	\$ 8,665,662	\$ -	\$ 8,665,662	\$ 8,665,662	\$ -	\$ 8,665,662	\$ 9,885,821	\$ -	\$ 9,885,821	\$ (1,220,159)

The accompanying notes are an integral part of this schedule.

RIVER VALLEY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED JUNE 30, 2024

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education 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 Board of Education.
- The Board of Education 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 Board of Education may alter the proposed budget.
- After the Board of Education (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 Board of Education.
- Appropriations lapse at year-end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
- Encumbrance accounting is not used.
- Budgets are adopted on a basis consistent with generally accepted accounting principles.

The following functions had an excess of actual expenditures in excess of \$1,000 over budget for the year ended June 30, 2024.

<u>FUND</u>	<u>FUNCTION</u>	<u>EXCESS EXPENDITURES</u>
General/Special Education	Regular instruction	\$ 119,925
General/Special Education	Vocational instruction	1,625
General/Special Education	Special instruction	254,791
General/Special Education	General admin services	17,481
General/Special Education	Business services	9,720
General/Special Education	Operations and maintenance	91,765
General/Special Education	Other support services	69,970

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin
SUPPLEMENTARY INFORMATION

RIVER VALLEY SCHOOL DISTRICT
COMBINING BALANCE SHEETS
GENERAL FUND
JUNE 30, 2024

	GENERAL FUND	SPECIAL EDUCATION FUND	TOTAL GENERAL FUND
<u>ASSETS</u>			
Cash and investments	\$ 7,621,065	\$ 162,619	\$ 7,783,684
Receivables			
Taxes	3,277,235	-	3,277,235
Due from other funds	8,451	-	8,451
Due from other governments	254,119	219,560	473,679
Prepays	<u>176,708</u>	<u>-</u>	<u>176,708</u>
TOTAL ASSETS	<u>\$ 11,337,578</u>	<u>\$ 382,179</u>	<u>\$ 11,719,757</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 109,547	\$ 1,674	\$ 111,221
Accrued liabilities			
Payroll	1,334,142	380,505	1,714,647
Deposits payable	<u>8,068</u>	<u>-</u>	<u>8,068</u>
TOTAL LIABILITIES	<u>1,451,757</u>	<u>382,179</u>	<u>1,833,936</u>
FUND BALANCES			
Nonspendable	176,708	-	176,708
Unassigned	<u>9,709,113</u>	<u>-</u>	<u>9,709,113</u>
TOTAL FUND BALANCES	<u>9,885,821</u>	<u>-</u>	<u>9,885,821</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,337,578</u>	<u>\$ 382,179</u>	<u>\$ 11,719,757</u>

RIVER VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL EDUCATION FUND	TOTAL GENERAL FUND
REVENUE			
Property taxes	\$ 10,608,387	\$ -	\$ 10,608,387
Other local sources	634,421	-	634,421
Interdistrict sources	604,662	-	604,662
Intermediate sources	6,745	7,948	14,693
State sources	7,576,662	945,416	8,522,078
Federal sources	409,920	506,065	915,985
Other sources	178,270	-	178,270
TOTAL REVENUE	<u>20,019,067</u>	<u>1,459,429</u>	<u>21,478,496</u>
EXPENDITURES			
Current			
Instruction			
Regular instruction	6,163,245	-	6,163,245
Vocational instruction	747,694	-	747,694
Special instruction	-	2,927,269	2,927,269
Other instruction	1,226,033	-	1,226,033
Total Instruction	<u>8,136,972</u>	<u>2,927,269</u>	<u>11,064,241</u>
Support Services			
Pupil services	547,597	300,833	848,430
Instructional staff services	1,141,661	178,869	1,320,530
General administration services	512,654	-	512,654
Building administration services	799,390	-	799,390
Business services	161,330	709	162,039
Operations and maintenance	1,981,872	-	1,981,872
Pupil transportation	949,797	290,492	1,240,289
Insurance	176,077	-	176,077
Other support services	105,636	-	105,636
Total Support Services	<u>6,376,014</u>	<u>770,903</u>	<u>7,146,917</u>
Non-Program Transactions	<u>1,469,200</u>	<u>154,878</u>	<u>1,624,078</u>
Capital Outlay	<u>868,723</u>	<u>-</u>	<u>868,723</u>
TOTAL EXPENDITURES	<u>16,850,909</u>	<u>3,853,050</u>	<u>20,703,959</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES	<u>3,168,158</u>	<u>(2,393,621)</u>	<u>774,537</u>
OTHER FINANCING SOURCES (USES)			
Net transfer from (to) other funds	<u>(2,393,621)</u>	<u>2,393,621</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	774,537	-	774,537
FUND BALANCE - BEGINNING OF YEAR	<u>9,111,284</u>	<u>-</u>	<u>9,111,284</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,885,821</u>	<u>\$ -</u>	<u>\$ 9,885,821</u>

RIVER VALLEY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	COMMUNITY SERVICE FUND	SPECIAL REVENUE TRUST	FOOD SERVICE FUND	CAPITAL PROJECT FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash and investments	\$ -	\$ 431,883	\$ 113,681	\$ 616,729	\$ 10,628	\$ 16	\$ 1,172,937
Prepays	8,700	5,774	695	1,202	-	-	16,371
TOTAL ASSETS	\$ 8,700	\$ 437,657	\$ 114,376	\$ 617,931	\$ 10,628	\$ 16	\$ 1,189,308
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 249	\$ 2,818	\$ 1,951	\$ -	\$ -	\$ -	\$ 5,018
Accrued payroll liabilities	-	-	23,153	-	-	-	23,153
Due to other funds	8,451	-	-	-	-	-	8,451
Unearned revenue	-	-	11,233	-	-	-	11,233
TOTAL LIABILITIES	8,700	2,818	36,337	-	-	-	47,855
FUND BALANCES							
Nonspendable	8,700	5,774	695	1,202	-	-	16,371
Restricted	-	429,065	77,344	616,729	10,628	16	1,133,782
Unassigned	(8,700)	-	-	-	-	-	(8,700)
TOTAL FUND BALANCES	-	434,839	78,039	617,931	10,628	16	1,141,453
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,700	\$ 437,657	\$ 114,376	\$ 617,931	\$ 10,628	\$ 16	\$ 1,189,308

RIVER VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	COMMUNITY SERVICE FUND	SPECIAL REVENUE TRUST	FOOD SERVICE FUND	CAPITAL PROJECT FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE							
Property taxes	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 172,722	\$ 252,722
Other local sources	-	372,568	248,552	37,256	554	-	658,930
State sources	-	-	11,944	-	-	-	11,944
Federal sources	-	-	367,810	-	-	-	367,810
Other sources	16,783	-	1,897	-	-	-	18,680
TOTAL REVENUE	<u>96,783</u>	<u>372,568</u>	<u>630,203</u>	<u>37,256</u>	<u>554</u>	<u>172,722</u>	<u>1,310,086</u>
EXPENDITURES							
Current							
Instruction							
Regular instruction	-	4,640	-	-	-	-	4,640
Vocational instruction	-	2,245	-	-	-	-	2,245
Other instruction	-	267,577	-	-	-	-	267,577
Total Instruction	-	<u>274,462</u>	-	-	-	-	<u>274,462</u>
Support Services							
Pupil services	-	27,301	-	-	-	-	27,301
Building administration services	-	1,386	-	-	-	-	1,386
Business services	-	-	626,383	55,251	-	-	681,634
Community services	96,783	-	-	-	-	-	96,783
Total Support Services	<u>96,783</u>	<u>28,687</u>	<u>626,383</u>	<u>55,251</u>	<u>-</u>	<u>-</u>	<u>807,104</u>
Non-Program Transactions	-	20,375	-	-	-	-	20,375
Debt Service							
Principal	-	-	-	-	-	152,500	152,500
Interest	-	-	-	-	-	20,222	20,222
Total Debt Service	-	-	-	-	-	<u>172,722</u>	<u>172,722</u>
Capital Outlay	-	-	18,530	-	-	-	18,530
TOTAL EXPENDITURES	<u>96,783</u>	<u>323,524</u>	<u>644,913</u>	<u>55,251</u>	<u>-</u>	<u>172,722</u>	<u>1,293,193</u>
EXCESS (DEFICIT) OF REVENUE (UNDER) OVER EXPENDITURES	-	49,044	(14,710)	(17,995)	554	-	16,893
FUND BALANCES - BEGINNING OF YEAR	-	385,795	92,749	635,926	10,074	16	1,124,560
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 434,839</u>	<u>\$ 78,039</u>	<u>\$ 617,931</u>	<u>\$ 10,628</u>	<u>\$ 16</u>	<u>\$ 1,141,453</u>

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2023	REVENUE GRANTOR REIMBURSE- MENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2024	PASS-THROUGH TO SUBRECIPIENTS AMOUNT
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
<u>Child Nutrition Cluster</u>							
School Breakfast Program	10.553	2024-565523-DPI-SB-SEVERE-546	\$ -	\$ 69,565	\$ 69,565	\$ -	\$ -
Food Distribution	10.555	Not available	-	48,940	48,940	-	-
National School Lunch Program	10.555	2024-565523-DPI-NSL-547	-	230,776	230,776	-	-
Total Child Nutrition Cluster			-	349,281	349,281	-	-
ARPA NSL Equipment Grant	10.579	Not available	-	18,529	18,529	-	-
Local Food for Schools (LSF) Public	10.185	Not available	2,847	2,847	-	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,847	370,657	367,810	-	-
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
<u>Special Education Cluster</u>							
IDEA (Flow-through)	84.027	2024-565523-DPI-FLOW-341	53,613	194,636	340,741	199,718	-
IDEA VIB Preschool Entitlement Public	84.173	2024-565523-DPI-PRESCH-347	2,558	2,558	19,842	19,842	-
Total Special Education Cluster			56,171	197,194	360,583	219,560	-
Title I - Grant to Local Educational Agencies	84.010	2024-565523-DPI-TI-A-141	37,645	37,645	172,799	172,799	-
Title II - Quality Teachers and Principals	84.367	2024-565523-DPI-TIIA-365	12,249	24,444	32,893	20,698	-
Title IV	84.424	2024-565523-DPI-TIVA-381	-	-	12,402	12,402	-
<u>Education Stabilization Fund</u>							
COVID 19 - Elementary Secondary School Emergency Relief (ESSER II)	84.425D	2024-565523-DPI-ESSERFII-163	-	623	623	-	-
COVID 19 - Elementary Secondary School Emergency Relief (ESSER III)	84.425U	2024-565523-DPI-ESSERFIII-165	154,855	319,735	191,017	26,137	-
Total Education Stabilization Fund			154,855	320,358	191,640	26,137	-
<u>CESA #3</u>							
Carl Perkins Tech Prep	84.048	2024-565523-DPI-CTE-400	-	6,745	6,745	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION			260,920	586,386	777,062	451,596	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Wisconsin Department of Health Services							
Medicaid Cluster	93.778	Not available	-	145,482	145,482	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	145,482	145,482	-	-
TOTAL FEDERAL AWARDS			\$ 263,767	\$ 1,102,525	\$ 1,290,354	\$ 451,596	\$ -

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the River Valley School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified 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. The River Valley School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Disclosure of Other Forms of Assistance

The River Valley School District had non-cash assistance in the form of food distributions received and used in the amount of \$48,940 during fiscal year ending June 30, 2024.

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	STATE I.D. NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2023	REVENUE GRANTOR REIMBURSE- MENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2024	PASS-THROUGH TO SUBRECIPIENTS AMOUNT
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Special Education and School Age Parents - District program	255.101	565523-100	\$ -	\$ 933,699	\$ 933,699	\$ -	\$ -
Special Education and School Age Parents - CESA #3	255.101	749903-100	-	7,288	7,288	-	-
Special Education and School Age Parents - CESA #5	255.101	749904-100	-	660	660	-	-
State Lunch	255.102	565523-107	-	4,605	4,605	-	-
Common School Fund Library Aid	255.103	565523-104	-	90,771	90,771	-	-
General Transportation Aid for Public and Nonpublic School Pupils	255.107	565523-102	-	91,156	91,156	-	-
WI School Day Milk	255.115	565523-109	-	4,409	4,409	-	-
General Equalization Aid	255.201	565523-116	-	5,627,133	5,627,133	-	-
High Cost Special Education State Aid	255.210	565523-119	-	11,717	11,717	-	-
School Based Mental Health Service Grant	255.297	565523-177	-	38,315	38,315	-	-
School Breakfast Program	255.344	565523-108	-	2,930	2,930	-	-
Achievement Gap Reduction	255.504	565523-160	-	286,625	286,625	-	-
Per Pupil Aid	255.945	565523-113	-	861,462	861,462	-	-
High Cost Transportation Aid	255.947	565523-114	-	400,205	400,205	-	-
Career and Technical Education Incentive Grant	255.950	565523-152	-	9,992	9,992	-	-
Assessments of Reading Readiness	255.956	565523-166	-	978	978	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			-	8,371,945	8,371,945	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Computer Aid	XXXX	N/A	22,083	22,083	22,083	22,083	-
Personal Property Aid	XXXX	N/A	-	90,064	90,064	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			22,083	112,147	112,147	22,083	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 22,083	\$ 8,484,092	\$ 8,484,092	\$ 22,083	\$ -

Note 1 - Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of the River Valley School District. The information in this schedule is presented in accordance with the requirements of the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule of state financial assistance are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Special Education and School Age Parents Program

2023-2024 eligible costs under the State Special Education Program are \$3,072,277.

RIVER VALLEY SCHOOL DISTRICT
Spring Green, Wisconsin

OTHER REPORTS



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

To the Board of Education
River Valley School District
Spring Green, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River Valley School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002 & 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

District's Response to Finding

The District's response to the finding 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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 5, 2024



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

To the Board of Education
River Valley School District
Spring Green, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the River Valley School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 5, 2024

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over federal awards:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

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

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U 10.553/10.555	Education Stabilization Fund Child Nutrition Cluster

State Assistance

Internal control over state assistance:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

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

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I - Summary of Auditors' Results - Continued

State Assistance - Continued

Any audit findings disclosed that are required
to be reported in accordance with
State Single Audit Guidelines?

_____ Yes X No

Identification of state major program:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.201	General Aids Cluster
255.504	Achievement Gap Reduction
255.947	High Cost Transportation Aid

Dollar threshold used to distinguish between

Type A and Type B federal programs:	\$750,000
Type A and Type B state programs:	\$254,523

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

Item 2024-001 - Preparation of Financial Statements

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: The training and knowledge of the District's personnel limits the District's ability to prepare GAAP-basis financial statements

Questioned Cost: N/A

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: The weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was prior year audit finding number 2023-001.

Recommendation: Obtain adequate training or hire a certified public accountant (CPA) to prepare GAAP basis financial statements.

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section II - Financial Statement Findings - Continued

Item 2024-001 - Preparation of Financial Statements - Continued

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 auditors' services and review and approve the financial statements and notes.

Item 2024-002 – Year-End Reconciliations

Program: District-Wide

Criteria: Adequate controls in place to ensure yearend financial statement reconciliations are completed.

Condition: The District's balance sheet & income statement accounts were not reconciled at the time of audit field work.

Questioned Cost: N/A

Context: The District did not complete yearend financial statement reconciliations timely.

Effect: The District's financials were misstated when audit field work began.

Information: Isolated instance.

Prior Year Finding: New finding in the current year.

Recommendation: The District should implement internal controls to ensure reconciliations are completed and financial statements are accurately stated.

Management's Response: The District acknowledges the finding and is committed to enhancing its internal controls to ensure that all financial reconciliations are completed accurately and on time and that the financial statements reflect accurate and reliable information. The District had a turnover at the Business Manager position at year-end, a new business manager has been hired, and going forward timely reconciliations will be completed monthly.

2024-003 - Material Audit Adjustments

Program: District-Wide.

Criteria: Generally accepted accounting principles.

Condition: A material audit adjustment was required to prevent the District's financial statements from being materially misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section II - Financial Statement Findings - Continued

2024-003 - Material Audit Adjustments - Continued

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Prior Year Finding: New finding in the current year.

Recommendation: The District should implement internal controls to ensure reconciliations are completed and financial statements are accurately stated.

Management's Response: The District acknowledges the finding and is committed to enhancing its internal controls to ensure that all financial reconciliations are completed accurately and on time and that the financial statements reflect accurate and reliable information. The District had a turnover at the Business Manager position at year-end, a new business manager has been hired, and going forward timely reconciliations will be completed monthly.

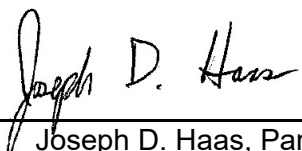
Section III - Federal and State Award Findings and Questioned Costs: None

Section IV - Prior Year Findings

2023-001- Preparation of Financial Statements - Repeated in 2024
2023-002- Excess of Actual Expenditures Over Budget - Cleared in 2024

Section V - Other Issues

1. Does the auditors' report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:
Wisconsin Department of Public Instruction No
Wisconsin Department of Revenue No
1. Was a management letter or other document conveying audit comments issued as a result of this audit? Yes
2. Name and signature of partner



Joseph D. Haas, Partner



RIVER VALLEY SCHOOL DISTRICT

Home of the Blackhawks

BRIAN KREY
Business Manager

660 West Daley Street

≈

Spring Green, Wisconsin 53588

≈

Phone: 608-588-2551

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

June 30, 2024

Summary of Prior Audit Findings

2023-001 Preparation of Financial Statements – Repeated in 2024.

2023-002 – Excess of Actual Expenditures Over Budget – Cleared in 2024.

Corrective Action Plan

2024-001 – Preparation of Financial Statements - Contact: Brian Krey. Completion date: N/a The District will continue to have the District's auditors prepare financial statements.

2024-002 – Yearend Reconciliations - Contact: Brian Krey. Completion date: September 1, 2024. The District acknowledges the finding and is committed to enhancing its internal controls to ensure that all financial reconciliations are completed accurately and on time and that the financial statements reflect accurate and reliable information. The District had a turnover at the Business Manager position at yearend, a new business manager has been hired, and going forward timely reconciliations will be completed monthly.

2024-003 – Material Audit Adjustments - Contact: Brian Krey. Completion date: September 1, 2024. The District acknowledges the finding and is committed to enhancing its internal controls to ensure that all financial reconciliations are completed accurately and on time and that the financial statements reflect accurate and reliable information. The District had a turnover at the Business Manager position at yearend, a new business manager has been hired, and going forward timely reconciliations will be completed monthly.

Signed: _____

Business Manager

