

River Valley School District

Spring Green, Wisconsin

Financial Statements and Supplementary Financial Information

Year Ended June 30, 2019

River Valley School District, Wisconsin

Financial Statements and Supplementary Financial Information Year Ended June 30, 2019

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of River Valley School District, Wisconsin (the "District"), as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of River Valley School District, Wisconsin, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that management's discussion and analysis and the budgetary comparison schedule – general fund and the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions – Wisconsin Retirement System and LRLIF, on pages 4 through 11 and 41 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 supplementary financial information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and are also not a required part of the basic financial statements. The supplementary financial information and the schedules of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary financial information and the schedules of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

October 15, 2019
Madison, Wisconsin

River Valley School District

Management's Discussion and Analysis

Year Ended June 30, 2019

This section of the River Valley School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's overall financial position, as reflected in total net position is \$15,693,038.
- Net position decreased \$352,103 during the year.
- In the governmental funds, the District's total fund balance decreased \$177,706 during the year. The General Fund balance increased by \$108,345.

Overview of the Financial Statements

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

Government-Wide Financial Statements

- The government-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. As of June 30, 2019, the District had no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

Fund Financial Statements

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

Notes to the Financial Statements

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

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

Financial Analysis

The District as a Whole

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,693,038 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (\$9,433,343 or 60 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

River Valley School District *Net Position*

	Governmental Activities	
	2019	2018
Current and other assets	\$ 7,600,416	\$ 7,853,882
Capital assets	10,589,068	11,848,455
Total assets	18,189,484	19,702,337
Deferred outflows of resources	5,051,007	2,869,163
Long-term liabilities	3,350,793	1,671,195
Other liabilities	1,462,739	1,538,499
Total liabilities	4,813,532	3,209,694
Deferred inflows of resources	2,733,921	3,316,665
Net position:		
Net investment in capital assets	9,433,343	8,882,997
Restricted	576,880	862,931
Unrestricted	4,682,815	6,299,213
Total net position	\$ 15,693,038	\$ 16,045,141

The District as a Whole (Continued)

River Valley School District
Change in Net Position

	<u>Governmental Activities</u>	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 934,149	\$ 881,011
Operating grants and contributions	2,239,185	2,072,091
General revenues:		
Property taxes	8,994,953	9,182,009
State aid-formula grants	6,195,141	5,652,964
Other	106,154	67,591
Total revenues	18,469,582	17,855,666
Expenses:		
Instruction	9,625,840	9,550,246
Pupil services	911,338	828,480
Instructional staff services	1,033,837	580,867
General administration services	447,457	428,397
Building administration services	745,195	1,007,578
Business services	3,669,267	2,911,609
Central services	1,445	453,800
Insurance	136,313	168,999
Food service	566,717	563,215
Other support services	114,213	108,675
Interest	42,626	45,578
Purchased instructional services	1,168,640	985,955
Unallocated depreciation, excluding direct	358,797	372,058
Total expenses	18,821,685	18,005,457
Change in position	(352,103)	(149,791)
Net position - Beginning of year	16,045,141	16,194,932
Net position - End of year	\$ 15,693,038	\$16,045,141

The District as a Whole (Continued)

The District's total revenues were \$18,469,582 for the year ended June 30, 2019. Property taxes and state formula aid accounted for 82 percent of total revenue for the year. The remaining 18 percent came from operating grants and contributions, charges for services, and other general revenues.

The total cost of all programs and services was \$18,821,685. The District's expenses are predominantly related to instruction (51 percent). The purely administrative activities of the District accounted for just 6 percent of total costs.

Governmental Funds

The District completed the year with a total governmental fund balance of \$6,315,383, which is \$177,706 less than last year's ending fund balance of \$6,315,383.

- The general fund had an increase in fund balance of \$108,345. This was primarily due to the district receiving revenue above the budget amounts. During the 2018-2019 school year the District received \$81,711 in High Cost Transportation Aid, which was not part of the budget. In addition, one-time state grants and interest rates were also higher than expected.
- Expenditures and other financing uses exceeded revenues and other financing sources by \$286,051 for the other nonmajor governmental funds. These funds included the Special Revenue Trust Fund, Debt Service Fund, Capital Projects Fund, Food Service Fund, Package Cooperative Fund, and Community Service Fund.

General Fund Budgetary Highlights

The District's original and final budget for the general fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$199,969, the actual results for the year show a \$108,345 surplus.

- Actual revenues were \$334,255 more than expected, due largely to additional state and federal aid.
- The actual expenditures were \$15,178 more than budget.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2019 fiscal year, the District had invested over \$22 million in a broad range of capital assets, including land, buildings, and equipment. Additional information about capital assets can be found in Note 5. Total accumulated depreciation on these assets exceeded \$11 million for governmental activities.

- Asset acquisitions for governmental activities totaled \$1,441,621.
- The District recognized depreciation expense of \$743,805 for governmental activities.

River Valley School District *Capital Assets*

	Governmental Activities	
	2019	2018
Land	\$ 138,643	\$ 138,643
Buildings and improvements	18,907,075	18,729,160
Land improvements	944,278	927,257
Machinery and equipment	2,268,043	1,934,955
Accumulated depreciation	(11,668,971)	(11,561,197)
Total	\$ 10,589,068	\$ 10,168,818

Long-Term Liabilities

At year-end, the District had \$3,350,793 in loans and other long-term debt outstanding. Additional information about the District's long-term obligations is presented in Note 6 to the financial statements.

River Valley School District *Outstanding Long-Term Liabilities*

	Governmental Activities	
	2019	2018
State trust fund loan	\$ 1,155,725	\$ 1,285,821
Pension liability	1,936,354	-
Supplemental pension benefits	27,000	114,000
Other post-employment benefits	231,714	271,374
Total	\$ 3,350,793	\$ 1,671,195

- The District retired \$130,096 of outstanding notes.

Factors Bearing on the District's Future

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

- The District enrollment is projected to decrease over the next eight years. Enrollment for the 2019-2020 fiscal year is projected to decrease by approximately 30 students from the prior year. Student count is a major piece of the revenue limit formula so the District will have to consider future operational referendums and/or budget reductions moving forward.
- The State of Wisconsin has an open enrollment law that allows students to attend the school district of their choice with few restrictions. The state adjusts each district's general state aid payment based on the number of students who transfer. The District expects to have a net loss of 64 students that will decrease state aid by approximately \$505,115 in 2019-2020.

Contacting the District's Financial Management

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

Basic Financial Statements

River Valley School District

Statement of Net Position

June 30, 2019

	Governmental Activities
<i>Assets and Deferred Outflows of Resources</i>	
Current assets:	
Cash and investments	\$ 4,187,844
Receivables:	
Taxes	2,954,860
Due from other governments	401,135
Prepaid expenses	56,577
Total current assets	7,600,416
Noncurrent assets:	
Capital Assets:	
Capital assets not being depreciated	138,643
Capital assets being depreciated	22,119,396
Less - Accumulated depreciation	(11,668,971)
Total noncurrent assets	10,589,068
Total assets	18,189,484
Deferred outflows of resources:	
Related to pensions/OPEB	5,051,007
Total assets and deferred outflows of resources	\$ 23,240,491
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable	\$ 37,607
Accrued liabilities	1,425,132
Current portion of long-term obligations	160,538
Total current liabilities	1,623,277
Noncurrent liabilities:	
Bonds and note payable	1,022,187
Net pension liability	1,936,354
Net OPEB liability	231,714
Total noncurrent liabilities	3,190,255
Total liabilities	4,813,532
Deferred inflows of resources:	
Related to pensions/OPEB	2,733,921
Net position:	
Net investment in capital assets	9,433,343
Restricted	576,880
Unrestricted	5,682,815
Total net position	15,693,038
Total liabilities, deferred inflows of resources, and net position	\$ 23,240,491

See accompanying notes to the financial statements.

River Valley School District

Statement of Activities

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction:				
Regular instruction	\$ 5,381,780	\$ 486,859	\$ 867,731	\$ (4,027,190)
Vocational instruction	651,305	-	-	(651,305)
Special education instruction	2,279,940	-	1,123,810	(1,156,130)
Other instruction	1,312,815	112,582	-	(1,200,233)
Total instruction	9,625,840	599,441	1,991,541	(7,034,858)
Support services:				
Pupil services	911,338	-	-	(911,338)
Instructional staff services	1,033,837	49,161	-	(984,676)
General administration services	447,457	-	-	(447,457)
Building administration services	745,195	-	-	(745,195)
Business services	3,669,267	4,505	-	(3,664,762)
Central services	1,445	-	-	(1,445)
Insurance	136,313	-	-	(136,313)
Food service	566,717	281,042	247,644	(38,031)
Other support services	114,213	-	-	(114,213)
Interest	42,626	-	-	(42,626)
Depreciation - Unallocated	358,797	-	-	(358,797)
Total support services	8,027,205	334,708	247,644	(7,444,853)
Non-program transactions:				
Purchased instructional services	1,168,640	-	-	(1,168,640)
Total school district	\$ 18,821,685	\$ 934,149	\$ 2,239,185	(15,648,351)
General revenues:				
Property taxes:				
General purposes				8,742,231
Debt service				172,722
Community service				80,000
State and federal aids not restricted to specific functions				6,195,141
Interest and investment earnings				85,228
Miscellaneous				20,926
Total general revenues				15,296,248
Change in net position				(352,103)
Net position - Beginning of year				16,045,141
Net position - End of year				\$ 15,693,038

See accompanying notes to the financial statements.

River Valley School District

Balance Sheet - Governmental Funds

June 30, 2019

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 3,603,797	\$ 584,047	\$ 4,187,844
Receivables:			
Taxes	2,954,860	-	2,954,860
Due from other governments	391,699	9,436	401,135
Due from other funds	5,147	-	5,147
Prepaid expenses	56,577	-	56,577
Total assets	\$ 7,012,080	\$ 593,483	\$ 7,605,563
Liabilities:			
Accounts payable	\$ 36,986	\$ 621	\$ 37,607
Accrued liabilities	1,414,297	10,835	1,425,132
Due to other funds	-	5,147	5,147
Total liabilities	1,451,283	16,603	1,467,886
Fund balances:			
Nonspendable	56,577	-	56,577
Restricted	-	576,880	576,880
Unassigned	5,504,220	-	5,504,220
Total fund balances	5,560,797	576,880	6,137,677
Total liabilities and fund balances	\$ 7,012,080	\$ 593,483	\$ 7,605,563

See accompanying notes to the financial statements.

River Valley School District

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2019

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

Total fund balances - Governmental funds	\$ 6,137,677
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 22,258,039	
Governmental accumulated depreciation	(11,668,971)	10,589,068

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

Net pension liability	(1,936,354)
Net OPEB liability	(231,714)
Deferred outflows of resources related to pensions/OPEB	5,051,007
Deferred inflows of resources related to pensions/OPEB	(2,733,921)

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

Bonds and notes payable	(1,155,725)	
Supplemental pension liability	(27,000)	(1,182,725)

Total net position - Governmental activities	\$ 15,693,038
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River Valley School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2019

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 8,742,231	\$ 252,722	\$ 8,994,953
Other local sources	246,333	347,303	593,636
Interdistrict sources	455,082	-	455,082
Intermediate sources	32,828	5,147	37,975
State sources	7,373,149	10,403	7,383,552
Federal sources	697,056	237,241	934,297
Other sources	68,267	90,992	159,259
Total revenues	17,614,946	943,808	18,558,754
Expenditures:			
Instruction:			
Regular instruction	5,096,725	9,960	5,106,685
Vocational instruction	619,483	-	619,483
Special instruction	2,171,081	-	2,171,081
Other instruction	1,241,631	724	1,242,355
Total instruction	9,128,920	10,684	9,139,604
Support services:			
Pupil services	843,737	24,088	867,825
Instructional staff services	979,328	5,147	984,475
General administration services	426,092	-	426,092
Building administration services	709,615	-	709,615
Business services	3,998,499	390,427	4,388,926
Central services	1,376	-	1,376
Insurance	136,313	-	136,313
Food service	-	539,659	539,659
Other support services	103,318	97,895	201,213
Total support services	7,198,278	1,057,216	8,255,494
Debt service:			
Principal	-	130,096	130,096
Interest	-	42,626	42,626
Total debt service	-	172,722	172,722
Nonprogram - Purchased instructional services	1,168,640	-	1,168,640
Total expenditures	17,495,838	1,240,622	18,736,460
Excess of revenues over (under) expenditures	119,108	(296,814)	(177,706)
Other financing sources (uses):			
Transfers in	-	10,763	10,763
Transfers out	(10,763)	-	(10,763)
Net other financing sources (uses)	(10,763)	10,763	-
Net change in fund balances	108,345	(286,051)	(177,706)
Fund balances - Beginning of year	5,452,452	862,931	6,315,383
Fund balances - End of year	\$ 5,560,797	\$ 576,880	\$ 6,137,677

See accompanying notes to the financial statements.

River Valley School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June 30, 2019

Net change in fund balances - Governmental funds (from previous page) \$ (177,706)

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

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

Capital outlays reported in governmental fund statements	\$ 1,441,621
Depreciation expense reported in the statement of activities	(743,805)
Remaining book value of capital assets sold	(277,566)

Amount by which capital outlays are more than depreciation in the current year 420,250

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Change in net pension asset (liability)	(3,615,991)
Change in net OPEB liability	39,660
Change in deferred outflows of resources related to pensions/OPEB	2,181,844
Change in deferred inflows of resources related to pensions/OPEB	582,744

Amounts paid are less than amounts earned (811,743)

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

Decrease in supplemental pension obligations	87,000
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Amounts paid are greater than amounts earned 87,000

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

The amount of long-term debt principal payments in the current year	130,096
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Change in net position - Governmental activities \$ (352,103)

River Valley School District

Statement of Net Position - Fiduciary Funds

June 30, 2019

	(Scholarship Trust) Private-Purpose Trust	Agency Fund	Total Fiduciary
Assets:			
Cash and cash equivalents	\$ 25,483	\$ 144,017	\$ 169,500
Liabilities:			
Accounts payable	\$ -	\$ 3,343	\$ 3,343
Due to student organizations	-	140,674	140,674
Total liabilities	-	144,017	144,017
Net position - Restricted for scholarships	25,483	-	25,483
Total liabilities and net position	\$ 25,483	\$ 144,017	\$ 169,500

See accompanying notes to the financial statements.

River Valley School District

Statement of Changes in Net Position - Fiduciary Funds

June 30, 2019

	(Scholarship Trust) Private-Purpose Trust
Additions:	
Private donations	\$ 11,724
Total additions	11,724
Deductions:	
Scholarships awarded	13,402
Total deductions	13,402
Change in net position	(1,678)
Net position - Beginning of year	27,161
Net position - End of year	\$ 25,483

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The District is organized as a common school district. An elected board of supervisors governs River Valley School District. The District, governed by a nine-member elected school board, operates early childhood through grade 12 and is comprised of all or parts of seventeen taxing districts. This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

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

Basis of Presentation

Government-Wide Financial Statements

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

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

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

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Investments

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

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

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

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

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

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Receivables and Payables

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Payables (Continued)

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

Capital Assets

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

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

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the assets' lives is not capitalized. Capital assets not being depreciated include land. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Long-Term Obligations

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

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

Pension Plan

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

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

Fund Balances

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

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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

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

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

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

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

Property Tax Levy

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

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2018 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2019. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through October 15, 2019, which is the date the financial statements were available to be issued.

Commitments

The District signed a contract on December 14, 2017 with a provider to improve the energy efficiency of the District in the amount of \$2 million. \$1 million was levied and paid during the current fiscal year with \$1 million remaining to be paid with proceeds of an additional tax levy in the subsequent fiscal year.

Note 2 Stewardship and Accountability

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

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

Note 3 Cash and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2019, the District's bank balance of \$4,008,069 was not exposed to custodial credit risk.

Investments

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

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 3 Cash and Investments (Continued)

The District's cash and investment balances at June 30, 2019, were as follows:

Deposits with financial institutions	\$ 3,682,825
Investments	
Local Government Investment Pool Fund	674,519
	<u>\$ 4,357,344</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 4,187,844
Fiduciary fund statement of net position	
Cash and investments	169,500
	<u>\$ 4,357,344</u>

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

Note 4: Interfund Activity

Interfund balances at June 30, 2019, were as follows:

Due from Other Funds	Due to Other Funds	Amount
	Special revenue funds:	
General Fund	Package Cooperative Fund	<u>\$ 5,147</u>

The balance existed due to a cash shortfall in the Package Cooperative Fund. The balance is expected to be repaid in the upcoming year as the cash balance improves.

Interfund transfers at June 30, 2019, were as follows:

Fund Transferred To	Fund Transferred From	Amount
	Special revenue funds:	
Food Service Fund	General Fund	<u>\$ 10,763</u>

The transfer from the General Fund to the Food Service Fund was to subsidize the fund's operations.

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 138,643	\$ -	\$ -	\$ 138,643
Capital assets, being depreciated:				
Buildings and improvements	18,729,160	1,006,776	828,861	18,907,075
Land improvements	927,257	79,032	62,011	944,278
Machinery and equipment	1,934,955	355,813	22,725	2,268,043
Subtotals	21,591,372	1,441,621	913,597	22,119,396
Less accumulated depreciation for:				
Buildings and improvements	9,196,944	586,069	561,548	9,221,465
Land improvements	743,598	26,094	56,303	713,389
Machinery and equipment	1,620,655	131,642	18,180	1,734,117
Subtotals	11,561,197	743,805	636,031	11,668,971
Net depreciated capital assets	10,030,175	697,816	277,566	10,450,425
Net capital assets	\$ 10,168,818	\$ 697,816	\$ 277,566	\$ 10,589,068
Less related long-term debt outstanding				1,155,725
Net investment in capital assets				<u>\$ 9,433,343</u>

Depreciation was charged to the following functions:

Instruction:	
Regular	\$ 18,310
Physical education	45,711
Co-curricular	8,502
Support services:	
Operation and maintenance	312,485
Depreciation - unallocated	358,797
Total depreciation expense	<u>\$ 743,805</u>

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations

The District's long-term obligations activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
State trust fund loan - direct borrowing	\$ 1,285,821	\$ -	\$ 130,096	\$ 1,155,725	\$ 133,538
Net pension liability	-	1,936,354	-	1,936,354	-
Supplemental pension benefits	114,000	-	87,000	27,000	27,000
Net OPEB liability	271,374	-	39,660	231,714	-
Total	\$ 1,671,195	\$ 1,936,354	\$ 256,756	\$ 3,350,793	\$ 160,538

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2019, is comprised of the following individual issues:

Direct Borrowing	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance
State trust fund loan	5/26/2016	3/15/2027	3.5%	\$ 1,507,079	\$ 881,832
State trust fund loan	5/20/2016	3/15/2026	3.0%	377,000	273,893
Total					\$ 1,155,725

Legal Debt Limit

The Wisconsin State Statutes Chapter 67.03(1)(a) provides that the amount of indebtedness of a District not exceed 10% of the equalized valuation of the taxable property in the District. The following computation compares the total debt allowable for the District with actual outstanding indebtedness at June 30, 2019:

Equalized valuation	<u>\$ 933,419,199</u>
Debt limit 10%	\$ 93,341,920
General obligation indebtedness	1,155,725
Less: Amounts available for financing general obligation debt	
Debt service fund	16
Net outstanding general obligation debt applicable to debt limitation	<u>1,155,709</u>
Legal debt margin	<u>\$ 92,186,211</u>

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 6: Long-Term Obligations (Continued)

Principal and interest requirements, until maturity, on the general obligation debt are as follows:

Year Ended June 30,	Governmental Activities - Direct Borrowing		
	Principal	Interest	Total
2020	\$ 133,538	\$ 39,184	\$ 172,722
2021	138,140	34,582	172,722
2022	142,791	29,931	172,722
2023	147,599	25,123	172,722
2024	152,515	20,207	172,722
2024-2027	441,142	28,929	470,071
	<u>\$ 1,155,725</u>	<u>\$ 177,956</u>	<u>\$ 1,333,681</u>

Note 7: Employees' Retirement System – Wisconsin Retirement System

Plan Description - The Wisconsin Retirement System (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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

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

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

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

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

The WRS also provides death and disability benefits for employees.

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 7: Employees' Retirement System – Wisconsin Retirement System (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1%)	(42.0%)
2010	(1.3%)	22.0%
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	(5.0%)
2017	2.0%	4.0%
2018	2.4%	17.0%

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

During the reporting period, the WRS recognized \$535,713 in contributions from the employer.

Contribution rates as of June 30, 2019 are:

Employee Category	Employee	Employer
General (including teachers)	6.7%	6.7%
Protective with social security	6.7%	10.7%
Protective without social security	6.7%	14.9%

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 7: Employees' Retirement System – Wisconsin Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the District reported a liability of \$1,936,354 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was .05442736%, which was a decrease of .00214287% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$1,338,398.

At June 30, 2019, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,508,673	\$ 2,665,826
Changes in assumptions	326,398	-
Net differences between projected and actual earnings on pension plan investments	2,827,913	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,935	-
Employer contributions subsequent to the measurement date	332,442	-
Total	\$ 5,023,361	\$ 2,665,826

\$332,442 reported as deferred outflows related to pensions results from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows of Resources
2020	\$ 735,695
2021	191,945
2022	321,096
2023	776,357

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 7: Employees' Retirement System – Wisconsin Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2017
Measurement date of net pension liability (asset)	December 31, 2018
Actuarial cost method	Entry Age
Asset valuation method	Fair market value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

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

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 7: Employees' Retirement System – Wisconsin Retirement System (Continued)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	49.0%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9.0%	6.5%	3.9%
Private equity/debt	8.0%	9.4%	6.7%
Multi-asset	4.0%	6.7%	4.1%
Total core fund	110%	7.3%	4.7%
Variable Fund Asset Class			
US equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total variable fund	100%	8.0%	5.4%

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

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

Single Discount Rate - A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
WRS Employer's proportionate share of the net pension (asset) liability	\$7,695,277	\$1,936,354	(\$2,345,850)

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 7: Employees' Retirement System – Wisconsin Retirement System (Continued)

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

Payables to the Pension Plan - At June 30, 2019, the District reported a payable of \$222,086 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Note 8: 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 employees.

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

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

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

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

Contribution rates as of June 30, 2019 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

Life Insurance Employee Contribution Rates *		
For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,730 in contributions from the employer

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - At June 30, 2019, the District reported a liability of \$231,714 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was .089800%, which was a decrease of .0004% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$21,931.

At June 30, 2019, 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	\$ -	\$ 11,755
Changes in assumptions	22,109	50,226
Net differences between projected and actual earnings on pension plan investments	5,537	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,114
Total	\$ 27,646	\$ 68,095

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

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

Year Ended June 30:	Net Deferred Inflows of Resources
2020	\$ (5,649)
2021	(5,649)
2022	(5,649)
2023	(6,427)
2024	(7,228)
Thereafter	(9,847)

Actuarial assumptions - The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2018
Measurement date of net pension liability (asset)	December 31, 2018
Actuarial cost method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-term expected rate of return	5.00%
Discount rate	4.22%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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.

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate - A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
WRS Employer's proportionate share of the net OPEB (asset) liability	\$329,629	\$231,714	\$156,195

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

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 9: Supplemental Pension Plan

Plan Description - One retired administrator receives an annual stipend for a period of 5 years. The annual amount of this stipend is \$15,000. There are also eight retired teachers who receive an annual stipend for a period of 3 years. The annual amount of the stipend is \$9,000. These have been recorded on the District-Wide Statements.

Active employees are no longer eligible for this benefit.

Funding policy - Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

Annual Pension Cost and Net Pension Liability - The District's annual pension cost and net pension liability for the current year is:

Contributions made	\$ (87,000)
Change in net benefit liability	(87,000)
Pension Liability - beginning of year	114,000
Pension Liability - end of year	<u>\$ 27,000</u>

Note 10: Restricted Net Position/Fund Balance

Restricted net position/fund balance reported on financial statements includes the following:

Restricted:	
Debt service	\$ 16
Special revenue trust	119,416
Capital projects	457,448
Total restricted	<u>\$ 576,880</u>

Note 11: Risk Management

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

Note 12: Pending Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

River Valley School District, Wisconsin

Notes to Basic Financial Statements

Note 12: Pending Accounting Pronouncements (Continued)

GASB Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

Required Supplementary Information

River Valley School District

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2019

	Budgeted Amounts		Variance With Final Budget Positive (Negative)
	Original and Final	Actual	
Revenues:			
Property taxes	\$ 8,746,271	\$ 8,742,231	\$ (4,040)
Other local sources	202,275	246,333	44,058
Interdistrict sources	406,000	455,082	49,082
Intermediate sources	24,500	32,828	8,328
State sources	7,174,130	7,373,149	199,019
Federal sources	673,515	697,056	23,541
Other sources	54,000	68,267	14,267
Total revenues	17,280,691	17,614,946	334,255
Expenditures:			
Instruction:			
Regular instruction	5,183,190	5,096,725	86,465
Vocational instruction	622,847	619,483	3,364
Special instruction	2,235,361	2,171,081	64,280
Other instruction	1,225,417	1,241,631	(16,214)
Total instruction	9,266,815	9,128,920	137,895
Support services:			
Pupil services	861,185	843,737	17,448
Instructional staff services	543,409	979,328	(435,919)
General administration services	431,841	426,092	5,749
Building administration services	715,114	709,615	5,499
Business services	3,971,162	3,998,499	(27,337)
Central services	361,891	1,376	360,515
Insurance	175,243	136,313	38,930
Other support services	90,000	103,318	(13,318)
Total support services	7,149,845	7,198,278	(48,433)
Nonprogram:			
Purchased instructional services	1,064,000	1,168,640	(104,640)
Total expenditures	17,480,660	17,495,838	(15,178)
Excess of revenues over expenditures	(199,969)	119,108	319,077
Other financing sources (uses):			
Transfers out	-	(10,763)	(10,763)
Net other financing uses	-	(10,763)	(10,763)
Net change in fund balance	(199,969)	108,345	308,314
Fund balance - Beginning of year	5,452,452	5,452,452	-
Fund balance - End of year	\$ 5,252,483	\$ 5,560,797	\$ 308,314

See accompanying notes to the required supplementary information.

River Valley School District, Wisconsin

Notes to Budgetary Comparison Schedule

Note 1: Budgetary Information

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

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

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

Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

Note 2: Budgetary Comparison

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

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued.

Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, the General fund's expenditures exceeded appropriations by \$15,178.

River Valley School District, Wisconsin

Schedule of Proportionate Share of Net OPEB Liability and Contributions

LRLIF

Last 10 Fiscal Years *

Measurement Date - December 31,	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll during the measurement period	District's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018	0.08980000%	\$ (231,714)	\$ 4,637,000	-5.00%	48.69%
2017	0.09020000%	\$ (271,374)	\$ 3,793,168	-7.15%	44.81%

The amounts presented for each year were determined as of the calendar year-end that occurred 6 months prior to the fiscal year.

Year ended June 30,	Contractually required contribution for the fiscal period	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll for the fiscal period	Contributions as a percentage of covered payroll
2019	\$ 1,730	\$ 1,730	\$ -	\$ 4,259,401	0.04%
2018	\$ 1,712	\$ 1,712	\$ -	\$ 4,215,084	0.04%

Notes to the Schedules:

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

Changes of assumptions: Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

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

River Valley School District, Wisconsin

Schedule of Proportionate Share of Net Pension Asset (Liability) and Contributions

Wisconsin Retirement System

Last 10 Fiscal Years *

Measurement Date - December 31,	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll during the measurement period	District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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%

The amounts presented for each year were determined as of the calendar year-end that occurred 6 months prior to the fiscal year.

Year ended June 30,	Contractually required contribution for the fiscal period	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll for the fiscal period	Contributions as a percentage of covered payroll
2019	\$ 529,245	\$ 529,245	\$ -	\$ 8,012,810	6.60%
2018	537,242	537,242	-	7,975,008	6.74%
2017	548,062	548,062	-	8,147,466	6.73%
2016	553,918	553,918	-	8,300,975	6.67%
2015	574,324	574,324	-	8,354,678	6.87%

Notes to the Schedules:

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

Changes of assumptions: Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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

Supplementary Financial Information

River Valley School District

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2019

	Special Revenue Trust Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Package Cooperative Fund	Community Service Fund	Total Nonmajor Governmental Funds
Assets:							
Cash and investments	\$ 119,416	\$ 16	\$ 457,448	\$ 7,167	\$ -	\$ -	\$ 584,047
Due from other governments	-	-	-	4,289	5,147	-	9,436
Total assets	\$ 119,416	\$ 16	\$ 457,448	\$11,456	\$ 5,147	\$ -	\$593,483
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 621	\$ -	\$ -	\$ 621
Accrued liabilities	-	-	-	10,835	-	-	10,835
Due to other funds	-	-	-	-	5,147	-	5,147
Total liabilities	-	-	-	11,456	5,147	-	16,603
Fund balances:							
Restricted	119,416	16	457,448	-	-	-	576,880
Unassigned	-	-	-	-	-	-	-
Total fund balances	\$119,416	16	457,448	-	-	-	576,880
Total liabilities and fund balance	\$ 119,416	\$ 16	\$ 457,448	\$11,456	\$ 5,147	\$ -	\$593,483

River Valley School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2019

	Special Revenue Trust Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Package Cooperative Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues:							
Property taxes	\$ -	\$ 172,722	\$ -	\$ -	\$ -	\$ 80,000	\$ 252,722
Other local sources	42,274	-	6,092	281,042	-	17,895	347,303
Intermediate sources	-	-	-	-	5,147	-	5,147
State sources	-	-	-	10,403	-	-	10,403
Federal sources	-	-	-	237,241	-	-	237,241
Other sources	140	-	89,172	1,680	-	-	90,992
Total revenues	42,414	172,722	95,264	530,366	5,147	97,895	943,808
Expenditures:							
Instruction:							
Regular instruction	9,960	-	-	-	-	-	9,960
Vocational instruction	724	-	-	-	-	-	724
Total instruction	10,684	-	-	-	-	-	10,684
Support services:							
Pupil services	24,088	-	-	-	-	-	24,088
Instructional staff services	-	-	-	-	5,147	-	5,147
Business services	-	-	388,957	1,470	-	-	390,427
Food service	-	-	-	539,659	-	-	539,659
Other support services	-	-	-	-	-	97,895	97,895
Total support services	24,088	-	388,957	541,129	5,147	97,895	1,057,216
Debt service:							
Principal	-	130,096	-	-	-	-	130,096
Interest	-	42,626	-	-	-	-	42,626
Total debt service	-	172,722	-	-	-	-	172,722
Total expenditures	34,772	172,722	388,957	541,129	5,147	97,895	1,240,622
Excess (deficiency) of revenues over (under) expenditures	7,642	-	(293,693)	(10,763)	-	-	(296,814)
Other financing sources (uses):							
Transfers in	-	-	-	10,763	-	-	10,763
Net change in fund balances	7,642	-	(293,693)	-	-	-	(286,051)
Fund balances - Beginning of year	111,774	16	751,141	-	-	-	862,931
Fund balances - End of year	\$ 119,416	\$ 16	\$ 457,448	\$ -	\$ -	\$ -	\$ 576,880

River Valley School District

Fiduciary Fund - Schedule of Changes in Assets and Liabilities

Student Organizations' Funds

Year ended June 30, 2019

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Assets:				
Cash and investments	\$ 139,934	\$ 296,041	\$ 291,958	\$ 144,017
Accounts receivable	279	-	279	-
Total assets	\$ 140,213	\$ 296,041	\$ 292,237	\$ 144,017
Liabilities:				
Accounts payable	\$ 3,703	\$ 249,765	\$ 250,125	\$ 3,343
Due to student organizations:				
High school	116,861	241,755	254,718	103,898
Middle school	8,018	34,487	32,285	10,220
Elementary school	11,631	28,948	14,023	26,556
Total liabilities	\$ 140,213	\$ 554,955	\$ 551,151	\$ 144,017



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Education
River Valley School District
Spring Green, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of River Valley School District, Wisconsin (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2019.

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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Responses to Findings

The District's response to the 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.

Wipfli LLP

Wipfli LLP

October 15, 2019
Madison, Wisconsin



Independent Auditor’s Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance

Board of Education
River Valley School District
Spring Green, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited River Valley School District, Wisconsin’s (the “District”) compliance with the types of compliance requirements described in the U.S. Office of Management and *Budget (OMB) Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”); and *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



Wipfli LLP

October 15, 2019
Madison, Wisconsin

River Valley School District

Schedule of Federal Awards

For the Year Ended June 30, 2019

Grantor Agency/Pass Through Agency/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2018	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2019
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553	2019-565523-SB-546	\$ 261	\$ 39,591	\$ 40,372	\$ 1,042
National School Lunch Program	10.555	2019-565523-NSL-547	881	168,125	170,491	3,247
Donated Food Commodities	10.555	N/A	-	26,378	26,378	-
Total CFDA 10.555			881	194,503	196,869	3,247
Total Child Nutrition Cluster			1,142	234,094	237,241	4,289
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2019-565523-TIA-141	115,452	233,016	191,045	73,481
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2019-565523-IDEA-FT-341	234,156	446,895	322,028	109,289
Preschool Entitlement	84.173	2019-565523-IDEA-PS-347	8,213	14,602	14,411	8,022
Total Special Education Cluster			242,369	461,497	336,439	117,311
ESEA Title II-A Teacher/Principal	84.367	2019-565523-TIIA-365	30,373	44,899	46,438	31,912
Title IV-A-Student Support and Acad Enrich Grants	84.424	2019-565523-TIVA-381	-	-	2,721	2,721
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2019-749903-CTE-400	-	9,832	9,832	-
Total U.S. Department of Education			388,194	749,244	586,475	225,425
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medical Assistance Program Cluster	93.778	N/A	-	120,413	120,413	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 389,336	\$ 1,103,751	\$ 944,129	\$ 229,714

See Independent Auditor's Report.

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

River Valley School District

Schedule of State Financial Assistance For the Year Ended June 30, 2019

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2018	Cash Received	Federal Expenditures	Accrued Revenue 6/30/2019
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents:						
Internal District Program	255.101	565523-100	\$ -	\$ 653,962	\$ 653,962	\$ -
Passed through CESA #3	255.101	749903-100	-	7,834	7,834	-
Passed through CESA #5	255.101	749905-100	-	5,162	5,162	-
Total Special Education and School Age Parents			-	666,958	666,958	-
State Lunch	255.102	565523-107	-	4,985	4,985	-
Common School Fund	255.103	565523-104	-	54,562	54,562	-
Transportation Aid	255.107	565523-102	-	88,849	88,849	-
Wisconsin School Day Milk Program	255.115	565523-109	-	3,421	3,421	-
General Equalization	255.201	565523-116	84,081	5,092,229	5,094,001	85,853
Personal Electronic Computing Device	255.296	None	-	12,125	12,125	-
State Breakfast Program	255.344	565523-108	-	1,997	1,997	-
Achievement Gap Reduction	255.504	565523-160	-	234,557	234,557	-
Educator Effective Eval Sys Grants Public	255.940	565523-154	-	17,250	17,250	-
Per Pupil Aid	255.945	565523-113	-	828,618	828,618	-
High Cost Transportation Aid	255.947	565523-114	-	81,711	81,711	-
Career and Technical Education Incentive Grants	255.950	565523-152	-	11,000	11,000	-
Assessments of Reading Readiness	255.956	565523-166	-	2,185	2,185	-
Total Wisconsin Department of Public Instruction			84,081	7,100,447	7,102,219	85,853
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Payments in Lieu of Taxes	370.503	N/A	-	61,976	61,976	-
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	455.206	N/A	-	38,664	85,850	47,186
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
Computer Aid	835.109	N/A	21,561	128,313	128,835	22,083
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 105,642	\$ 7,329,400	\$ 7,378,880	\$ 155,122

See Independent Auditor's Report.

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

River Valley School District, Wisconsin

Notes to the Schedules of Federal Awards and State Financial Assistance
Year Ended June 30, 2019

Note 1: Significant Accounting Policies

The accompanying schedule of federal and state assistance include the federal and state grant activity of River Valley School District under programs of the federal and state government for the year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of River Valley School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of River Valley School District. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: De Minimis Cost Rate

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

Note 3: Special Education and School Age Parents Program

2018–2019 eligible costs under the State Special Education Program are \$2,511,200.

River Valley School District, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued? Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major federal and state programs:

Material weakness(es) identified? No

Significant deficiencies identified? No

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)] or *State Single Audit Guidelines*?

No

Identification of major federal programs:

Name of Federal Major Program or Cluster CFDA No.

Special Education Cluster 84.027/84.173

Name of State Major Program or Cluster State ID No.

Equalization Aid 255.201

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

State \$250,000

Auditee qualified as low-risk auditee? Yes

River Valley School District, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section II - Financial Statement Findings

Finding 2019-001 – Financial Accounting and Reporting

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

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

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

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

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

View of responsible officials and planned corrective actions – We agree with the finding and have developed a corrective action plan.

Section III - Federal and State Award Findings and Questioned Costs

None

River Valley School District, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Public Instruction

No

Department of Health Services

No

Department of Natural Resources

No

Department of Justice

No

Department of Revenue

No

Was a management letter or other document conveying audit comments issued as a result of this audit?

Yes

Name and signature of partner



Dan Walker, CPA

Date of report

October 15, 2019

River Valley School District, Wisconsin

Summary Schedule of Prior Year Findings

Year Ended June 30, 2019

2018-001 Financial Accounting and Reporting – See finding 2019-001.

2018-002 Financial Reporting for Federal and State Financial Assistance – The District believes the audit finding is no longer valid and does not warrant further action because two years have passed since the finding was reported, the pass-through entity is not currently following up on the audit finding, and a management decision was not issued.



RIVER VALLEY SCHOOL DISTRICT

Home of the Blackhawks



BRIAN KREY
Business Manager

660 West Daley Street ≈ Spring Green, Wisconsin 53588 ≈ Phone: 608-588-2551

Corrective Action Plan for the year ended June 30, 2019

Finding 2019-001 – Financial Accounting and Reporting

Corrective Action Plan:

None. The District will continue to review the financial statements and required footnotes prepared by the external auditors. The District believes this process to be the most economical and appropriate to help ensure complete and proper financial reporting. There is no anticipated completion date for this item.

Person(s) Responsible: District Management and Board of Education

Timing for Implementation: There is no anticipated completion date for this item.

